CORPORATE ADVERTISING : STRATEGY AND POLICY

D. Phil. Thesis

Submitted to the University of Allahabad

for the award of the Degree of

DOCTOR OF PHILOSOPHY

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ACKNOWLEDGEMENT

I acknowledge with gratitude the help, which I received from my Supervisor, Dr. Radhey Shyam Singh, D.Phil, under whose able guidance the research work has been completed.

I am also grateful to Prof. (Mrs.) Alka Agarwal, Dean of Faculty, Prof. Rajshekhar, Director (MONIRBA, A. U.) and to my teachers who taught me while I was doing M.B.A. and encouraged me for pursuing higher knowledge in the field of Marketing and Advertisement.

I have no words to express my feelings towards my in-laws Mrs. & Mr. J Ojha and my husband Mr. Atul K. Ojha, who inspired me and boosted my morale all the time for meeting my academic objectives. I am also thankful to Mr. Amitabh Ojha for enriching my knowledge and creating academic environment in the family.

I would be failing in my duty if I do not place it on record the motivation and help which I received from my parents who were keen to see me academically sound at par with them.

At the end I am thankful to Ms. Sujata Simon for her assistance in the preparation and typing of my thesis at the final stage.

Neelanjali

PREFACE

Advertisement management plays an important role in the marketing process and aims at achieving the marketing objectives. Corporate advertising focuses on analysis, planning, control and decision making activities of the corporate advertiser in achieving the marketing and organizational objectives.

For this purpose, the corporate advertiser directs and supports the development of advertisement and media space. The field or corporate advertising is made up of interacting organisations and institutions, all of which play a role in the advertising process. It is the consumer, around which the whole corporate advertising revolves i.e., the advertiser's agency, media research supplies and marketing information system. Identification and understanding of markets and consumer behaviour are vital parts of corporate advertising strategy.

Indian advertising became a major economic force in India around the mid of the twentieth century, with the advent of the mass market for manufactured goods. Advertising helped to develop this mass market by establishing branded products that stood for uniform quality at good prices. However, as markets matured with a proliferation of similar brands, sales promotion gained in importance. Sales promotion draws attention to a brand in a crowded field and helps to fine-tune a firm's offer to specific segments at specific time periods.

In many cases contents of similar studies focus only on advertising. In few cases the study is confined to personal selling, publicity and sales promotion. But the present in addition to all these study focuses on **"Corporate Advertising Strategy And Policy".** These two aspects have been elaborated on three grounds:

First, over the last decade, Corporate Sector have been spending a bigger fraction of their profit on sales promotions and a smaller fraction on

advertising. Indeed, over a ten-year period from 1980 to 1990, the fraction of the profit spent on advertising fell almost in half, while that in trade promotion increased by the same amount. Currently, Corporate Sectors spend three-fourths of the promotional budget on sales promotion, and one-fourth on advertising. Thus sales promotions have become a very important component of the promotional mix.

Secondly, advertising and sales promotion are closely interlinked. Expenditures on advertising have a direct bearing on expenditures on sales promotion. In many cases they are substitutable, while in some cases they are complementary. However, in every case the spending decision must be taken together. More importantly the ad strategy and policy of advertising must closely linked to that in sales promotion. Thus these two aspects need to be treated jointly while discussing issues relating to corporate advertising.

Thirdly, personal selling and publicity may not be close enough to advertising and sales promotion to merit an in-depth treatment in the same hook. While personal selling is related to promotion, it primarily involves the management of personnel. Thus it involves a substantially different science. Similarly, publicity involves the management of news, which is a slightly different science from advertising. A broad coverage of related topics may hinder an in-depth coverage of important core topics. Advertising and sales promotion are key promotional activities of the marketing department. They involve a number of contentious issues that are fully within the control of the company and must he jointly addressed. Thus they need to be taught and discussed in a single course.

Corporate Advertising Strategy and Policy is designed to give marketing managers a deep understanding of advertising and sales promotion that will enable them to develop successful strategies in practice. The research wok has the following characteristics:

☞ It focuses on advertising and advertising campaign which are, two key areas of advertising management.

☞ It draws from the most recent research in the social sciences to ensure that students are exposed to the most current knowledge in the field. The study explains why phenomena occur, rather than merely describing them. Similarly, it tries to show why certain strategies succeed, while others fail, rather than merely identifying them.
The study has a managerial orientation. Its purpose is to help prospective managers design successful strategies relating to corporate advertisement.

☞ The study also explains changing Ad concepts in changing marketing environment. It requires no particular pre requisites in business, marketing economics or Psychology. Thus, any one of in any discipline could pick up the study and follow its contents.

Research Methodology

The present study is based on the primary and secondary information, annual reports of Corporate Sector and the relevant statistical information available from various Advertising and Marketing journals and magazines. Efforts have also been made to collect data from the business houses and group of consumers who have been motivated from the Corporate advertising. Some statistical data have also been collected with the help of Structured Questionnaires and personal interviews of consumers and CEO's of leading Advertising Agencies.

The collected data have been analysed and interpreted for reaching to the conclusion. This technique of research methodology has been adopted in the process of completion of research work.

Thus, the study is simple, direct and lively and is based on primary and secondary sources published work and has taken the note of recent articles and literature from reputed sources.

The study has been divided into eight chapters. The first chapter provides a conceptual framework including historical development or ad-business and background to the field. The second chapter covers Ad campaign and communication, the core aspect of advertising. The third chapter discusses the issues related with setting Corporate Advertising objectives and strategies of corporate Advertising management. The fourth chapter explains the working of Indian Advertising Agencies. The fifth chapter deals with the effectiveness of Corporate Advertising. The sixth chapter elucidate about the Sponsorships of Corporate Advertising. Internet Advertising – vision for future has been described in chapter seven and in eighth chapter Suggestions and Recommendations for effective Corporate Advertisement have been elaborated. In addition to all these a detailed list of books and references has been given in the end followed by appendix showing the profile of leading Corporate Advertising Agencies.

CORPORATE ADVERTISING: AN INTRODUCTION

An institution of Society that has the capability of informing the citizen, stimulating economic growth, and providing knowledge useful in decision making, as well as the tendency both to misallocate scarce economic resources and lead consumers to engage in behaviour that may not be their own best interests. The final and perhaps most common, perspective of advertising is that of business. Business managers are most concerned with the benefits they obtain as a result of advertising. Most business managers believe that advertising is an important selling tool. They believe that it facilitates the sale of products or builds the reputation of companies by making consumers aware of the existence of both, in addition to conveying compelling information about the characteristics of products and companies to consumers. They also believe that advertising can help create sales by cultivating consumer readiness to buy.

The main objective of corporate advertising is to create a favourable image towards the institution or business concern in the eyes of shareholders, employees and the public at large.

Corporate advertising may not attempt to sell a particular product but its main aim is to generate a public image of the corporate organisation. It notifies the consumers that the company is a responsible business entity; that its management takes ecologically responsible action and supports an affirmative approach towards its employees.

Business houses today recognize the limitation of advertising. They realize that some advertising is more effective, that advertising seems to work better with certain types of products. They acknowledge the fact that certain consumers will not buy in spite of extensive advertising. Not all institutional reputations are enhanced by advertising. Many other marketing forces may affect product and institutional success. And the effect of specific advertisements may vary widely from consumer to consumer, both

agrees that advertising is just a part of the total marketing effort required for success. Producers know that they must make a quality product that perform its function well, and that this product must be priced fairly and competitively. They also know that the product must be made available to the consumer in a place where they expect to find it. Finally, the product must be sold through an aggressive promotional strategy that may include all the elements of promotion.

It can now be analysed that it is only valuable to business if it can create easy consumer identification of the advertised brand. With this benefit comes a serious risk. Although advertising helps consumers identify the brand they wish to buy, it also helps them to make a positive identification of those brands or institutions they wish to avoid because of bad reports or bad experiences. Essentially, the continued advertising of a particular brand or institution over several years is an implied warranty to the consumer that the product has et the test and is being used. The measure of success for any products is repeat purchase. The greater the consumer's satisfaction and the more repeat purchases, the bigger the economic base from which continuing advertising expenditures can be generated. The definition of advertising that is most meaningful to business managers is one that identifies the parameters of advertising as well as its immediate and long-range goals.

Advertising is any paid form of non-personal presentation and promotion of ideas, goods and services by an identified sponsor. However, this definition doesn't really incorporable all the factors that are important to business managers. A suitable definition with its concept and nature has been elaborated in the next chapter. The chapter one describes the concept and nature of advertising in a more meaningful perspective.

Advertising's function is primarily to inform potential buyers of the problem-solving utility of a firm's market offering, with the objective of developing consumer preferences for a particular brand. There are several bases for classifying advertising. Understanding the various ways in which

advertising can be classified should be useful to the decision maker because different types of advertising will be called upon depending upon the company's objectives in its advertising program.

Audience: - A variety of audience type exists to which advertising is directed. Some ads are directed at the ultimate users of the product who are referred to as consumer audience. Others are directed to the companies or middlemen that distribute the product; these are referred to as the business audience. Both of these major categories can be further broken down into smaller and smaller sub-categories. For instance, the two most important business audiences are *dealers* and *manufactures.* Consumer audiences can be reduced to a myriad of smaller groupings, for example, upper class, wine drinkers, Spanish-Americans, Golfers, and so on.

Advertiser: - National advertising is that sponsored by manufacturers or other producers. Local advertising is advertising placed by retailers or wholesalers that have markets usually confined to one locality. A further distinction between a manufacturer's advertising is designed to build a demand for the product, regardless of where it is purchased. In retailer's advertising, the stress is on the store. Retailers do not care what brand you buy, as long as you buy it in their store. Consequently retail advertising tends to emphasize patronage motives such as good location, good service, free delivery, and so forth.

Intention: - Another basis for classifying advertising is in terms of the intention of the advertising. The two most general categories are product or institutional. In product advertising, advertisers are informing or stimulating the market about their products or services. This category can also be further sub-divided into direct action and indirect action advertising. The former advertising is intended to require a quick response to the advertisement. Ads that include a coupon with an expiration data or a sale with a date deadline would fall under this heading. Indirect-action advertising is designed to stimulate demand over a longer period of time. Advertisements are intended to inform customers that the product exists

and to indicate its benefits and where it can be purchased. Products advertising can also be classified as being primary or selective. In the case of the primary advertising the purpose is to promote the demand for generic products or services. Thus, in the case of the American Dairy Association, the emphasis is on the product milk, it really doesn't matter which brand of milk you purchase, selective advertising is used by a particular firm in order to create a demand for a particular brand. It typically follows primary advertising, which is more or less sets, the stage for selective advertising.

Institutional advertising is designed to create a positive attitude towards the seller rather than selling a product or service. The objective is establishing a high level of good will. Institutional advertising can be further sub-divided into three areas: public relations, public service and patronage. Public relations institutional advertising attempts to create a favourable image of the firm among employees, stockholders, or the general public. To illustrate, for several years Philips Petroleum has been running ads that highlight their contributions to medical technology and the environment. Patronage institutional advertising is designed to attract customers by emphasizing a patronage-buying motive rather than a product-buying motive. For example, a retailer might inform the public of her new sheltered parking lot or extended store hours. A manufacturer might describe his new warranty policy.

Relevance of Corporate Advertising: - Advertising is one of the most perspective entities in our business society in that it is used by virtually all manufacturers and retailers. The importance of advertising is easy to document – one need only look at the figures. One quantitative indication is the total amount spent on advertising in the several countries all of them are on upswing. The number of one medium in terms of total money spent is still newspapers, although television is gaining. The growth in advertising expenditures have been rising faster than the gross national product, national income, or any other measure of business activity. Even the cost of producing a commercial is increasing rapidly.

On the basis of study it is now clear that the actual growth in corporate advertising has occurred since World War-II. After the war, companies in Western Europe and the Far East once again started to compete in the world markets, making advertising and other types or promotions essential parts of the new economy. Large corporations like General Motors and Coca-Cola have long been active all over the world, but since late 1960s many small and medium sized companies have become international. Another dimension of advertising that alludes to its tremendous size is the number of people it employs. Although the exact number of people employed in all phase of advertising is unknown. Frequently, advertising expenses are expressed as a percentage of a company's sales. It is interesting to note that some of the largest advertisers actually devote a very small percentage of sales to advertising. Many drug, cosmetics, and clearing firms, on the other hand, allocate a large percentage of their sales revenue towards advertising.

CHAPTER – 1
Advertising

Chapter - 1

ADVERTISING

Historical Development

Advertising concept began around 3200 B.C. when the Egyptains stenciled inscriptions of the names of kings on the temples being built. Later they wrote runaway-slave announcements on papyrus. Signboards were placed outside doors in Greece and Egypt around 1500 B.C. The most important event in history for advertising was the printing of the Gutenberg Bible, about 1450 to 1455 – the first time that Western man used the principle of movable type. In about 1477 in London, the first printed advertisement in English announced a prayerbook on the back page of a London newspaper ion 1625. The early town crier was also a "medium" of advertising.

It was not until 1704 that paid advertisements were printed in the United States. Later, Benjan in Franklin made advertisements more readable by using large headlines and by surrounding the advertisements with considerable white space. By 1771 there were 31 newspapers in the colonies, an all carried advertising. The development of a national transportation system during the last half of the 19^{th} century increased the number of readers who could be reached and led to expansion in newspaper and magazine circulation.

At first, service to advertisers was provided by news dealers who accepted advertisements for any U.S. newspaper. This gave rise to advertising agents who obtained information about publishers – their locations, rates, and susceptibility to bargaining. By 1860 these agents were bargaining effectively by holding out until the publisher's deadline, causing him to lower his rates to get advertising. The agents usually received 30 percent in commissions.

The first modern advertising agency was N.W. Ayer & son, Inc., founded in Philadelphia, in 1869. Ayer introduced the commission system in the 1870's by convincing newspapers to give discounts the agency then charged the client full price for the space used. This same concept later spread to magazines, radio, and television.

Thus Benjamin Franklin is considered the father of American advertising. From 1729, when he began publishing his newspaper. The Pennsylvania Gazette, until his death, he was the ultimate promoter. The Gazette had the largest circulation and the largest advertising volume of any paper in colonial America. In it one could find ads for ship sailings, quills, books, wine, tea, chocolate, and so forth. Franklin also made several innovations in newspaper advertising. For instance, he was the first to separate ads from one another by placing a border of white splice. He also was the first to use a large heading for each ad, as well as the first to use illustrations and drawing within the ads.

From the period 1875 to 1905, a great many aspects of modern business setting had their birth. The first was the development of the factory system and mass production. As manufacturers began to make more than could be consumed in their immediate market, advertising developed in importance. In turn, as consumers began to depend upon brands that were manufactured by companies unfamiliar to them, they had to rely more and more on advertising.

Another business institution that had its birth during this period was the departmental store. Jordan Marsh of Boston, John Wanamaker, and R.H.Macy, both Americans began their newfangled stores during this time. The concept, as well as the products they carried, was new to the customer. These retailers found it necessary to aggressively advertise through all the media forms available there.

At about this same time, A. Montgomery Ward of Chicago started the first general mail-order house in this country. Sears, Roebuck and Company soon

followed in 1886. This innovation, the mail-order catalogue, was truly unique in that it was advertising with no story content at all. The success of the mail-order business brought a great deal of credibility and respectability to the activity of advertising. The history of advertising is also entwined with the development and availability of media forms. Although there were probably several hundred newspapers in the late nineteenth century, no single newspaper was able to provide national coverage because of the problems of printing in one location and then delivering it across the country. But there emerged a vehicle that did not depend on the day-to-day events as its lifeblood—the magazine.

Although the publishers of early American magazines did not think of them as a means for carrying advertising, advertisers had different ideas. The first successful magazine in America was Godey's Lady's Book, a fashion magazine that appeared in 1830. The growth of the magazine industry was nothing less than phenomenal. Several reasons are given for this success. First, Congress approved low postage rates, which allowed magazines and newspapers to be distributed economically. Second, some Americans viewed magazines as being the vanguard of culture. Finally, many Americans felt that magazines were truly American and could serve as a basis for establishing our own culture.

A final factor that helped the cause of advertising during the late nineteenth century was the emergence of the advertising agency. Volney Palmer is considered by most advertising historians to be the earliest advertising agent in the United States. He established himself as an agent in Philadelphia in 1841 and established branch offices in Boston and New York. These early agents were simply street salespeople who learned that they could earn more commissions if they represented not one but several newspapers and, later, magazines. Some also contracted annually with certain publications and, in effect, became brokers of advertising apace. George P. Rowell, a former bill collector for the Boston Post, brought ingenuity and stability to the agency business. He was interested in all media, and anticipating the needs of advertisers, he brought space in large quantities and resold it to advertisers in

smaller lots at a profit. The publishers were happy to sell him space at reduced rates and let him act as a middleman. He was the First agent to guarantee payment to publishers for their space, instead of asking them to wait until the advertiser paid the agent. In 1888, he founded the first major magazine devoted to advertising in the United States, called Printers' Ink. During the first two decades of the twentieth century, advertising continued its phenomenal growth, spurred on by a society that was now on wheels.

At the turn of the 20th century, J. Walter Thompson Company, Lord & Thomas, N.W. Ayer & Sons, and Pettengil & Company pioneered in the preparation of advertising material. Previously, advertising agencies had been basically media selectors, and only occasionally prepared advertising. Agencies then began adding a 15 percent commission rate to the cost of material and services used in preparing advertisements, in addition to receiving their discounts on the media used.

Attempting to identify the progression of advertising through the ages is not an easy task. Although it is interesting to discuss the fact that advertising messages have been discovered on ancient pieces of papyrus or on cave walls, this has little relevance to our understanding or appreciation of advertising. Clearly, ever since individuals have attempted to sell goods or services they have engaged in various types of persuasive communications. Because of the extremely high rate of illiteracy, almost all-early advertising was oral. Thus, the major media employed was the barker or town crier. Probably the next most common advertising medium was the sign. Again, because of the high illiteracy rate, most signs included both the name of the company and the product sold as well as a picture representing the product.

In many societies, an elaborate system of codes was developed that told the consumer what was inside. Eventually, individual businesses began to customize their signs in order to differentiate themselves from other similar business. Soon, the customized signs were printed on the product itself and served as the basis for the trademark of today.

The invention of the newspaper in the early seventeenth century was the most important event that provided the greatest push for advertising business. It was in conjunction with the newspaper that the word advertisement first came into use. It was used as a heading for the commercial announcements section of the newspaper.

In 1915, the automobile industry was spending heavily on advertising. Now that millions of people were zooming along the highways, a new form of advertising emerged the billboard. It was also during this period that trust-busting, expose, and reform programs became popular. It is not surprising that advertising was caught up in this cleanup movement.

The Associated Advertising Clubs of America helped launch a campaign to promote truthful and ethical advertising. Several codes for truth in advertising were devised. Probably the most famous was the Printers' Ink Statute published in 1911. It was a model that indicated the types of activities that were considered ethical, unethical) and questionable.

In 1929 advertising plunged into the despair of the depression. Advertising billings dropped $ 2 billion in 1930. With over 14 million people unemployed) products remained on shelves because no one had money to purchase them. The public was looking for scapegoats for their troubles, and advertising became a prime target. The critics struck at the very concept of advertising—advertising waste helped bring on the depression. Consumer unions were formed to evaluate and restrict all advertising. Laws were passed that were directed at advertising, such as the Wheeler-Lea Amendment of 1938, which granted the FTC the power to curb false advertising. Unfortunately, laws such as this were passed after the damage was done.

A positive outcome of the depression was that it brought research into advertising. With the heavy consumer resistance to advertising and product purchasing, learning more about the behaviour and motivations of the consumer became very important. It was during this time that A.C. Nielsen,

George Galiup, and Daniel Starch started their research organizations and developed much of the technology that we are still using today.

The period since the end of World War II represents the modern era of advertising. Actually, during the war, advertising gained back much of its respectability. During this time, it was either patriotic or institutional, and the War Advertising Council was staffed by volunteer experts coming from all phases of professional advertising.

Thus advertising experts quickly turned to the tremendous needs of the consumer following the war. People wanted new homes, automobiles, second cars, vacations, and a plethora of new products that they has not yet imagined. Most importantly, the development of television meant that a vital new vehicle for advertising had emerged.

In the first decade of the 21st century, advertising is still an extremely business. With the advent of the satellite and computer technology, the potential appears unlimited. Nevertheless, a great many questions still need to be answered. What role will the government play in the future of advertising? Is there still a place for small advertiser or the small advertising agency? Will advertising be held more accountable for what they do and do not do? What new technologies lie over the horizon?

Indian Scenario

The Indian Advertising has a long back history. At the beginning of 20th century the main medium for advertising was press especially news papers though it was only the privilege of the upper class. In 1930 the talkies and radio emerge as media. 1950 decade proved to be the water shed years for advertising when many industries came to, Burma shell propagated kerosene by transit advertising on vans, cinema advertising began, Calcutta got the privilege of having India's first advertising club in 1956, leading advertising agency press syndicate emerged. In the decade of 1960's the India's first advertising convention was held in Calcutta in 1960, the movement started

for the shift from production concept to product concept, Asian Advertising Congress was held at New Delhi. In 1970's decade as the shift began from product concept to sales concept, role of promotion increased, there was a magazine boom and Asian Advertising Congress was held at New Delhi.

In the decade of 1980's marketing concept began to emerge because of intense competition ands every activity began to direct towards customers. Expansion of Advertising agencies started and TV emerged as a powerful advertising medium with the advent of color transmission in 1982. TV medium was expanded and it was made available to more than 50% of the population. There was a media boom and different types of magazines emerged to cater the needs of various groups. Concept of sponsored programmes started. In this period formation of Indian chapter of International advertising association took place.

With the entry of multinational, the 1990's decade is providing a crucial year for Indian Advertising. Because of intense competition, every marketer used to try to push his products and used promotion vigorously. Each medium is used to reach the target customers.

The advent of cable TV proved a turning point for Indian advertising. CNN was the first electronic channel to be beamed to India besides that other private channels emerged as Zee TV, El TV, Star Plus, Star Sports, ESPN, Sony, NEPC, Home, Jain TV, Asia music, Zee cinema, Movie Channel by Doordarshan etc. As these TV channels were reached to middle as well as upper income group people, a lot of money was spend by marketers to inform, persuade and remind the customers about their products or services by the different types of promotional mix and through different media exclusively as well as collectively.

Marketing experts often aver that the nature substance and volume of corporate advertising in a country is a pointer to the marketing environment of the country and the extent of competition prevailing in the country. It therefore makes sense briefly analyse the advertising scenario in the India.

Over the year, advertising in India has grown in a spectacular manner. And today it has become a Rs. 2500 crore industry. And more than 10,000 branded products are being advertised n India through one medium or another. Over the years, there has also being a substantial expansion in the media. Today, India has a large press consisting of more than 20,000 newspapers / periodicals in twenty different languages with a combined circulation of more than 55 million. And it is going to the readers literally ad-packed. TV has emerged as a powerful medium, a medium that aptly reflects the contemporary conditions of Indian advertising and marketing. Over the years, the number of advertising agencies in the country has also increased enormously. There were only 62 advertising agencies in India accredited to the Indian Newspaper Society (INS) in 1958.

By 1994, there were more than 600 advertising agencies with accreditation to the INS. Of them two had a billing of over Rs. 200 crore each during the year and 14 had billing of over Rs. 30 crore each during the same year. Quantitatively too, the ad-business of India has grown considerably. There was a time when Indian ads were mere imitations of British and American ads. But now, the situation has vastly changed. The ad-men of India have succeeded in giving distinctiveness to Indian advertising. New approaches and new styles to suit the Indian audience have emerged, making advertising in the country a well-developed field of activity. [1]

Advertising Concept And Nature

The term advertising originates from the latin word 'adverto' which means turn round. Thus it denotes the means employed to draw attention to any objects or purpose.

Advertising is one of the five major tools companies use to direct persuasive communications to target buyers which in the simplest form it can be said that the advertising is a public announcement. In the earlier times to advertise meant merely to announce or to inform.

[1] *Ramaswami V. S. and Namakumari, Marketing Management Pg 38, McMillan India Ltd. 2000*

Advertising can be defined as: ***Advertising is any paid form of non-personal presentation of ideas, goods and services by an identified sponsor".*** [2]

"Advertising consists of all activities involved in presenting to a group a non personal, oral or visual, openly sponsor identified message regarding a product, service or idea. This message, called an advertisement, is disseminated through one or more media and is paid for by the identified person." [3]

Basically an advertisement is an announcement to the public of a product, service or idea through a medium through which the public has access. The medium may be print, electronic or any other. An advertisement is usually paid for by an advertiser at rates fixed or negotiated with the media.

Advertising has become an integral part of our society. In a way it has embedded in our daily lives. Advertising is a vital marketing tool as well as a powerful communication force. It is the action of calling some thing to attention of the people, especially by paid announcements. Therefore the main elements of advertising are as under:

It is in paid form, it is non personal presentation. It has Ideas, goods or services. It has identified sponsor. It informs and persuades people. Thus Advertising includes any informative or persuasive message carried by a non-personal medium and paid for by a sponsor whose product is in some way identified in the message. Traditional mass media, such as television and magazines, are most commonly used. However, the direct mailing of catalogues, media advertisements featuring computerized ordering, and other direct-response vehicles are becoming increasingly popular.

"Advertising is mass, paid communication, the ultimate purpose of which is to impart information, develop attitude and induce action beneficial to the advertiser—generally the sale of a product or service". [4]

[2] *Kotler Philip – Marketing Management, page 578 Prentice Hall of India Pvt. Ltd., New Delhi 2000*
[3] *Stanton, William, J. Fundamentals of Amrketing (5th ed) Pg 425 McGrant Hall book Co. New York 1978*
[4] *Colley Russel, H., DEGMAR, Association of National Advertiser, New York Inc. 1964*

Though this is a comprehensive and faultless definition. But we could attempt another definition that is more operational, that specifically takes into account a competitive market place, and that recognizes the increasing difficulty of creating distinct brand identities. It can be stated:

"Advertising Is The Discovery And Communication Of A Persuasive Difference For A Brand To The Target Prospect."

There are three critical elements here. Advertising must communicate difference for the brand. It must be a competitive and persuasive difference. Such a difference may not fall into the communicator's lap in the form of a readymade Unique Selling Preposition. In the absence of strong functional superiority or distinction he must search and discover where such persuasive differentiation lies.



Ad of Pepsi during Cricket Match

The ability to communicate to a large number of people at once is the major benefit of advertising. In this sense, advertising, which uses non-personal channels, is a cost-efficient substitute for personal selling. Advertising, because it is indirect and non-personal has other benefits. Advertisers have a great deal of control over the content of the promotional message. Furthermore, they can send a uniform and unvarying message with great frequency. You may see a soft drink (e.g. Pepsi) commercial several times as you watch a Cricket game on TTV. You would never ask a salesperson to repeat a message over and over again.

As stated above advertising as a persuasive message carried by a non-personal media and paid for by an identified sponsor. This definition indicates two basic parts of advertising: the message and the medium. Both work together to communicate the right ideas to the right audience.

Advertising promotes goods, services and ideas in mass media such as television, radio, newspapers and magazines, to reach a large number of people at once. It serves as a substitute for a salesperson talking to an individual prospect. Advertising is a one-way communication and unlike a salesperson, cannot receive direct feedback and immediately handle objections.

Advertisers, who must pay the mass media to "run" their advertisements, or commercials, control the exact nature of the one-way message that will be communicated to the target audience. The impersonal nature of advertising also allows marketers to control the timing and degree of repetition that is necessary. These features often provide benefits that far outweigh disadvantages associated with lack of feedback.

Marketers of Fast Food, Soft Drinks (e.g. Pizza, Pepsi, Coke etc.), cosmetics (e.g. Sunsilk, L'Oreal, Lakme, Ponds, Garnier etc.), soaps (e.g. Lux, Dove etc.) and many other consumer or industrial products do not require direct and immediate feedback often rely heavily on advertising. For these marketers, the challenge is to effectively present messages to an audience that may not be interested in seeing or hearing them. They must contend with readers who quickly turn the magazine page. They must deal with viewers who tape-record programs and then fast-forward through commercials. They must cope with competitors who use advertising to compare brands. Because of these demands, advertising is often highly creative and innovative.





In the process of corporate advertising, the impact of creative advertising plays an important role in marketing. The ability of creative advertising to

stimulate people to talk to other people about products, services, and ideas is *word-of-month communication.* It may be one of the most effective means communicating a message to prospective customers. The ability to use advertising's power to influence word-of-month communication can be a great asset to a marketer.

Advertising supports other promotional efforts. It may communicate information about a sales promotion or announce a public relations event. Advertising helps the salesperson "get a foot in the door" by pre-selling prospects. A salesperson's job can be made much easier if advertising informs the prospect about unique product benefits or encourages prospects to contact a salesperson. Without advertising, the salesperson's efforts may be hindered because the prospect does not know about the company or its products.

Advertising Objectives And Goals

The objectives and goal of the advertising programmes include:

- *To increase support:* Advertising increases the morale of the sales force and of distributors, wholesalers and retailers. It thus contributes to enthusiasm and confidence attitude in the organization.

- *To stimulate sales amongst* present, former and future consumers. It involves decision regarding the media.

- *To retain the loyalty:* To retain the loyalty of present and former consumers. Advertising may be used to reassure buyers that they have made the best purchase thus building loyalty to the brand name or the firm.

- *To project an image:* Advertising is used to promote an overall image of respect and trust for an organization. This message is aimed

not only at consumers but also at the government, shareholders and general public.

➥ To communicate with consumers. This involves decision regarding Copy.

Thus it is commercial or non-commercial communication. The communication is speedy. It is a mass communication. The cost per person is low. Advertising is communication through identified sponsor. It is non-personal.

A fresh look at Advertising Objectives

What is the role of advertising in the context of positioning? A landmark definition of advertising was developed for the Association of National Advertisers of the USA by Russel H Colley. It brought a greater degree of clarity to management thinking on advertising decisions. It emphasized that advertising pulls a consumer towards purchasing action "through changes in his or her knowledge and attitude responses. It laid the foundation for a practical and widely used model.

The possible routes he essence of positioning strategy' is to create differential advantage for the brand. We might, therefore, crystallize our thinking by saying that the central task of advertising is to place the brand in the desired position in the prospect's mind. That is, advertising has one overriding task: to position our brand in the prospect's perception or perceptual space, in relation to competitors, so as to create distinctness and preference. In this way the entire marketing mix should be geared up to serve our brand's positioning objectives. Advertiser has to carry the major burden in packaged – goods marketing with decreasing product differences.

Advertising Vs. Publicity

Advertising is a paid form of message delivery. **Publicity** is similar to advertising but unpaid, because it may use the same mass media. The difference results from the fact that publicity involves an *unpaid* message whose content is determined by the communication medium. When information about a company, a product, or an event is considered newsworthy, mass media may communicate that information "for free". Thus, the organization being publicized neither directly pays for the message nor identifies itself as the message sponsor.

An important feature of publicity is that it *always* involves a Third Party, such as a newspaper reporter or editor, who has the ultimate power to determine the nature of the message. Because of the credibility associated with the third party and because the information is generally factual rather than persuasive, publicity scores high in believability.

Publicity can be either positive or negative. In fact, because the message is in the hands of the media and not in the hands of the organization promoting the product. Sometimes publicity can be terrible also, every recall of a product for repair or replacement makes the evening news and results in negative publicity. The makers of Usha automobiles tires and Bisleri bottled water have spent lacks of Rupees to develop fine products. Bad publicity about defects, however minor, can easily offset their efforts.

We could rightly say that the entire marketing mix should be geared up to serve our brand's positioning objective. Advertising however, has to carry the major burden in packaged-goods marketing with decreasing product differences.

Although publicity is "free" in the sense that mass media are not paid to communicate the message, this does not mean that publicity should go unmanaged.

Advertising and Public Relations

Public relations refers to, ***"the company's communication and relationships with various sections of the public – customers, suppliers, share holders, employers, government, media and society at large. Public Relations may be informal. Public Relations are personal advertising."*** [5]

The ultimate aim of Public Relations is to develop a favourable image in the eyes of the public.

- Public Relation is low cost then advertising.
- Public Relation is a form of persuasive communication.

Main Elements of Public Relation

- The message to be transmitted.
- An independent third party endorser to transmit message.
- A target audience that it is hoped will be motivated to buy whatever is being sold, and,
- A medium through which the message is transmitted.

Advertising has a greater role when we are selling a tangible product. Public relations have a greater role in service industry and industrial product marketing as the product is in tangible or purchased in large quantities.

Public Relations have now slowly evolved into an integrated approach called corporate communications.

[5] *Zikmund Williams G and D'Amico Michael – Marketing Pg. 598 – 601, West Publishing Gr. Minneapolis / St. Paul, USA, 1993*

Forms of Corporate Advertising

Advertising can be subdivided into different categories. A very basic scheme classifies advertising as [6]

(i) Product Advertising

(ii) Institutional Advertising

(i) Product Advertising:

Advertisements for Reebok shoes, Taj hotels, Kellog cereal, Johnson & Johnson Baby Products and many other brands are clearly intended to persuade specific consumers to purchase a particular product – indeed, a particular brand. These are **product advertisements.** An advertisement for Maruti latest fuel efficient company that declares the best never rests and suggests that customers go down to the local dealership is a product advertisement because it features a specific product.



If the Maruti advertisement also recommends that customers to the showroom for a test drive during festive inventory reduction sale, suggests an immediate purchase during the period is also a **direct-advertisement** or **direct response advertisement.** Many television advertisement and may direct mail advertisements are of this type. An increasing number of these involve *direct marketing*, which includes both direct-action advertising and the direct channel of distribution. For example Tele marketing companies frequently urge consumers to order special items by calling a toll-free telephone number and using any credit cards.



Direct-action advertisements, in general, utilize coupons, toll-free telephone numbers, or invitations to call collect in order to facilitate action and encourage people to "buy now". Much retail advertising emphasizes direct action.

[6] *Zikmund Williams G And D'Amico Michael – Marketing Pg 598 – 601, West Publishing Gr. Minneapolis / St. Paul, USA, 1993*

Less assertive advertisements, designed to build brand image or position a brand for an eventual sale rather to sell merchandise right this minute, are also form of product advertising. For example, consider an advertisement portraying the travel and adventure of Singapore or Malaysia. The advertiser knows the consumer is not going to run directly to a travel agency after seeing such an advertisement. The objective is to provide information so that the next time the family is considering a vacation; Singapore or Malaysia will be among the spots considered. This so-called **indirect advertisement** makes use of a soft-sell approach calculated to stimulate sales over the longer run.

Corporate advertising and its Forms

Advertising campaign objectives are the major determinant of the type of advertising used by the company. If the goal of the campaign is to build up the image of a product or service, the company, or the industry, the advertiser will use **institutional advertising.** By contrast, if the advertiser wishes to enhance the sales of specific product, brand or service, product advertising is used. [7]

(ii) Institutional Advertising

When using institutional advertising, a corporation has four important audiences: (1) the public, which includes legislators, business people and opinion leaders; (2) the investment community mainly comprised of stockholders; (3) the customers; and (4) the company's employees. Institutional Advertising is not product oriented; rather, it is designed to enhance the company image. It usually does not ask for any action from the audience except maintaining a favourable attitude toward the advertiser and its goods and services.

A unique form of institutional advertising called **advocacy advertising** is a means for corporations to express their viewpoints on various controversial issues. Most firms' advocacy campaigns directly respond to media attacks. Still other campaigns attempt to ward off impending threats, usually from

[7] ***W. Lamb, F. Hair & Cerl Mc Daniel: Principles of Marketing – Pg. 458 – 46, south Western Publishing Co., Cincinnati Ohion, 1992***

regulators to legislators. For example, Philip Morris Company responded to legislation that would limit tobacco advertising. Its used advocacy advertising when it sponsored the 20th anniversary of the Bill of Rights. By sponsoring this historic occasion, Philip Morris indirectly told consumers and legislators that the company had the right of free speech and, therefore, the right to advertise cigarrates.

Institutional Advertisements aim to promote an organizational image, to stimulate generic demand for a product category, or to build goodwill for an industry. "Baseball fever.....catch it" is an institutional advertising slogan and do not stress on particular ball team, brand, or movie. Instead, they accent the sponsoring institutions. The baseball advertisement, for example, attempts to build demand for the sport as a whole. The advertisement paid for by DuPont and United Artists stress how wonderful, responsible, or efficient those companies, taken as wholes, actually are. Contrasting the "baseball fever" slogan with such team slogans as "Royals baseball. You've got a hit on your hands." Or "Wrigley Field – there's no place like it" makes the difference between institutional advertising and product advertising quite clear.

For some years, Tata & sons has been running institutional advertising to call attention to its involvement in worthwhile community projects and to tell consumers about its lesser-known activities.

The company's intention is to demonstrate that it is socially responsible and productive. It hopes to promote goodwill and increase investment in the company. These and similar advertisements are aimed at the roles we all play as citizens, investors, and voters rather than our roles as buyers. Unlike institutional advertising, product advertising touts the beneficial specific product or service. Product advertising can best be implemented one of three forms: pioneer advertising, competitive advertising and comparative advertising.

Discussions of these types of advertising are as follows:

a) Pioneering Advertising

Pioneering Advertising is intended to stimulate primary demand for a new product or product category. Heavily used during the introductory stage of the products and often use pioneering advertising.

b) Competitive Advertising

Firms use competitive advertising when a product enters the growth phase of the product life cycle and other companies begin to enter the market place. Instead of building primary demand for the product category, the goal of competitive advertising is to influence demand for the specific brand of good or service. Often promotion becomes less informative and more emotional during this phase.

Advertisements may begin to stress subtle differences in brands, with heavy emphasis on building brand name recall and creating a favorable brand attitude. Automobile advertising has long been very competitive.

For instance, Ford Motor Company stresses its brand name in the campaign. "Have you driven a Ford lately?" Meanwhile Oldsmobile has repositioned itself competitively to the younger market when campaign "This is a new generation of Olds." The beer, soft drink, fast foods and long distance telephone service industries also wage advertising with. Price often becomes a key promotional weapon, as products resemble one or other.

c) Comparative Advertising

Comparative advertising compares two or more specifically named or present competitive brand on one or more specific product attributes. Advertisers make taste, pride and preference claims often at the expense of the competing brand.

For instance Bristol Myers ran commercials explicitly asserting, "New liquid Vanish really does clean tough rust stains...better than Lysol." This ad showed and mentioned both the competitor's product and its brand name.

Comparative Advertisements facilitated the recall of the advertised brand as well as that of the named, competing brand. Brand recall was the same for comparative as for non-comparative ads and finally Claim recall effectiveness were more likely to increase purchases of a new brand than were non-comparative advertisements.

Value Addition through Corporate Advertising

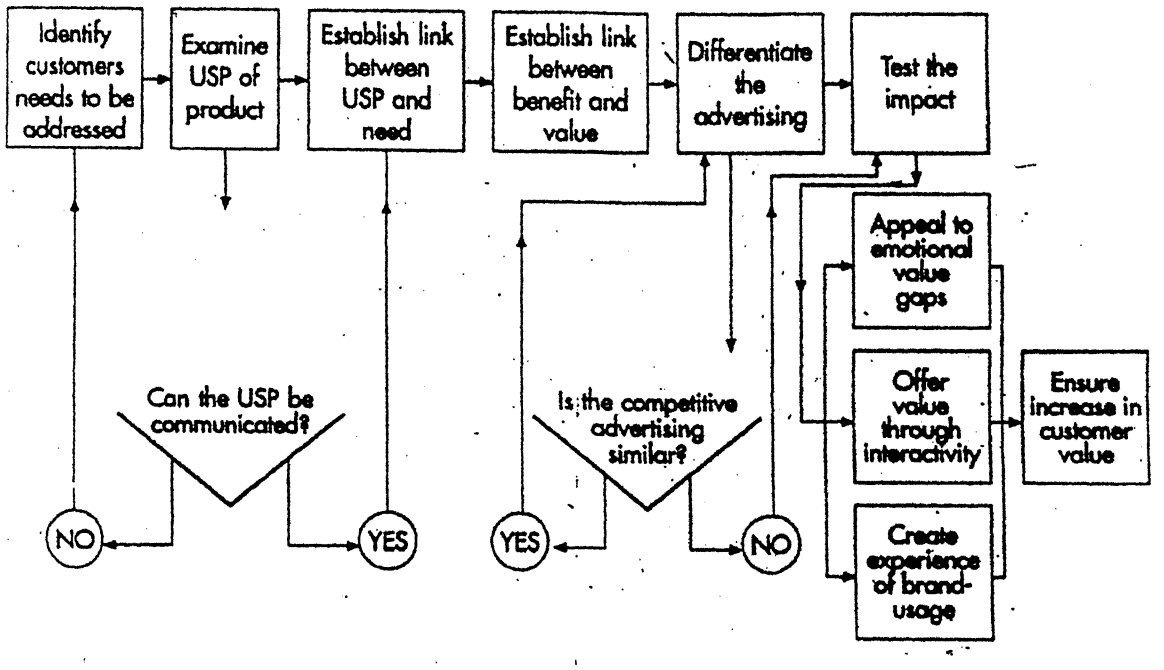


Fig: 1. 1

d) Interactional Advertising

Undifferentiated advertising is usually a one-way communication between the company & the customer where the customer is the silent listener. It is

just this passivity inducing quality of conventional advertising make the advertising below the line activity, whereas the scope for interactive communication is much higher thus, smart advertising can induce the feedback loop, boosting customer value by offering the potential buyer the opportunity to sample the product and participate in the process of expressing a response, marketers can steal a march over their competitors in the value race. For interaction comments a company's relationship with the customer, adding to the latter's sense of receiving value added benefits by offering emotional add-ons. And advertising can achieve this by introducing the element of interaction.

A classic example: The campaign used to launch HLL's Surf Excel, the latest extension to its Surf brand of detergent powders. The value that HLL wanted Surf Excel to provide to the customer, Superior washing powder. The focus, therefore, was not on specific attributes such as better dirt fighting ability or a whiter wash, but all round performance that delivers the greatest value among all brands in the market for every paise spent.



However, the company and its ad agency, Lintas, concluded that simply making a claim of superior value wouldn't suffice; customers would have to be given the chance to test it for themselves.



According, the advertising used the interactive format from the very beginning. The first commercial announced the imminent launch of a new detergent brand, accompanied by shots of unbranded cartons, and asked viewers to write in to an post office box number for a free sample.

The objective was not to generate a stream of requests, but to kindle interest and create a sense of interaction among potential customers, and to assure them, implicitly, that their response would be factored into the product formulation. In the second ad, the company introduced a money back offer for dissatisfied customers now revealed as Surf Excel, once again setting the sense for two-way communication.

To capitalize on the initial involvement that the advertising had build up, the third commercial went on to depict the feedback from real life users who declared their delight with surf excel. While depicting the feedback the advertiser should choose carefully the people who would represent as a customers.

e) Emotional Advertising

When the value that product delivers is tangible, the real differentiator may lie in the emotional condition that it generates in the customer's mind. Crucially, it is advertising that can be used to bridge the gap between the solid benefit and its emotional extension. For example consider the heart stopping commercial for saffola cooking oil created for the Rs. 348 crore Merico Industries in 1992 by Ambience advertising. Probing customer concerns, Marico realised that the benefit of offering protection to the heart could be traced backwards to a feeling to comfort that this protectiveness generates in the mind.





And the greater the sense of worry, the stronger the value of the protection that saffola could offer. Realizing that the apprehension was highest among the wives of men over

30 years leading stressful lives—which, they knew, was the classic condition for a heart attack—Merico and Ambience decided to fulfil the need for comfort of this particular customer.

So, the advertising that they devised addressed, in stark black and white images, the apprehension of the wife. A series of shots, depicting a middle-aged man being rushed to hospital and wheeled into the operating room after he had a heart attack while his panic-stricken wife waits fearfully, drove home the message. And the reference to saffola's product benefit—the voice over announces:

There are many things in your husband's life that you cannot control. Saffola: It's your life insurance struck up an immediate association with safety and relief.





Corporate Advertising : Some Ethical Issues

Social commentators frequently debate ethical issues about advertising and public relations. We will discuss these issues in the following paragraphs.

(1) Deceptive and Misleading Practices

Our society grants consumers the right to be informed and prohibits deceptive practices and promotions that intentionally mislead consumers. For example, consumers have the right to know how likely it is that they will win a contest or sweepstakes. State and federal regulations now require that the odds of winning such sales promotions be conveniently available to potential participants.

Misleading Advertising Because of its direct effect on buyers, one area of particular concern is misleading or deceptive advertising. People feel strongly about this issue, largely because in almost all societies the truth is revered and lying is considered wrong. Thus, laws and court cases aimed at ending the worst abuses have long been part of the Indian business scene. Many recent incidents related to this issue are traceable to consumerism and concerns about the right to be informed.

Identifying what comprises misleading or deceptive advertising is not easy. Although blatant deception is disapproved of by our society and legal system, hard-and-fast rules are difficult to develop and enforce.

Bait and Switch Advertising that attempts to employ the tactic known as **bait and switch** offers another example of the difficulty in determining what is deceptive. The bait-and-switch technique involves advertising a product at an amazingly low price. Consumers, drawn to the store by the advertising are "switched" to another, higher-priced item by salespeople, who claim that the advertised item is, for some reason, no longer available.

Although this tactic is clearly deceptive, proving international deception is difficult. Would anyone claim that a salesperson should not try to sell an item that was not mentioned in the store's advertisement? What about the common sales tactic of trading up, whereby the salesperson tries to interest the customer in an item higher priced than the one the customer first mentioned? Because the marketing concept stresses honest attempts at customer satisfaction, we might conclude that a salesperson may in good conscience point out a better, more expensive buying opinion.

The question of the ethics of switching involves around intentions and the actual availability of the product. Again, questions of ethics are rarely straightforward and simple.

Puffery Another gray area involves *puffing*. **Puffery** is the practice of stating opinions or making slight exaggerations, a practice that society in general considers harmless. More producers often publicize their limits and publishers sometimes advertise their books by using puffery. "Most exciting movie are not provable statements, most would not favour banning them. But where does puffing stop and lying begin?

(2) Public Standards

Matters of law and ethics are frequently decided on the basis of public standards, or beliefs as to what is right and proper. Even more often, they are decided on the basis of what somebody *thinks* are public standards. Certain advertisements, such as the perfume advertisement for Calvin Klein showing men and women in compromising situation cause a stir because they challenge public standards or someone's idea about public standards.

A renowned Painter M. F. Hussain exhibited his painting in media painting of film actress, which became cause of the concern for the viewer. Ultimately the paintings were withdrawn. This implies that that public standards might not always be obvious.

Try to decide what public standards dictate in regard to these marketing questions, for example:

Should liquor advertising be allowed on television?

Should sellers or medicinal products be allowed to discuss bodily functions during TV and radio commercials?

Should school children be exposed to promotional messages in classrooms?

The public's sense of decency, then, is a tricky thing to deal with. Televisions networks are often accused of offering too much sex and violence. Groups condemn shows ranging from "Married with Children" to "The Simpsons." Other Groups condemn the self-proclaimed TV watchdogs, saying no one should tell the American people what to do and "if you don't like it, you don't have to look at it."

Issues of public standards and concerns are philosophical issues marketers must consider. Although they present difficulties, they are not beyond answering. In many cases, marketers may decide to offend one market in order to satisfy the needs of another. Consider, as a case in point, the marketing of products such as Preparation-H. Clearly, many individuals find mass media advertising of this brand offensive.

Other segments of the population find the advertising perfectly acceptable. If the advertising for some product offends you, ask yourself if it would be acceptable to adults in another market segment who need the product.

The Advertising Theme

Theme is the subject matter of advertisement. A theme represents a particular viewpoint or a central idea with which the message is conveyed to the public an advertisement copy should bridge the gap between the advertiser and the readers, if it is to be effective. To achieve this, the advertisement has to

provide the audience the information that is of interest to them. The two features of "message" are "message structure" and "message appeal." Message structure contains details (selling points) of the products and consumers' needs and benefits. A two-sided argument is effective in winning over an audience. The "message appeal" is the feature, which brings about attitude change on the part of audience. The message appeals can be grouped broadly into two categories;

(i) the product-oriented appeals : They may emphasize the physical features or the functions of the product or may attempt a comparison of the product with the other brands available in the market,

(ii) the consumer-oriented appeals : They, on the other hand, are directed at the audience's attitude, faiths and beliefs. It may emphasise the attitudinal and behavioural patterns of the audience, the life styles of the audience or their social image. In actual practice, messages quite often combine the product appeal and consumer appeal.

The theme has an arresting quality, i.e., it is capable of capturing attention of the people. In selecting a theme, all necessary information about consumers and about the product to be advertised must be collected with proper details. In collecting the details about consumers, information about the attitude and aspiration of genuine prospect for the product should be particularly known.

Information about the product should include, characteristics of the product, benefits expected to the consumers and over the rival's products. Themes may change as the market conditions change.

The theme or appeal points out the most important reason or driving force to the purchase of a certain product or service. It is an appeal based on human emotion, feelings, sentiments, needs, desire etc.

We have the following common appeals with which advertising message can be effectively communicated:

☞**The Theme of Beauty**: The sales appeal for cosmetic, toilet products are usually based upon the theme of beauty:

Example:

"For charming appearance, use KUMARI TALC powder. Its pure, fine talc gives you that soft, smooth, silky feeling"

☞**The Theme of Health:** Food products and drugs are advertised through reliance upon the theme of health.

Example:

"Health brings happiness."
The key health is held by BABY PRODUCTS".

☞**The Theme of Pride**: The sales message in the case of jewelleries, TV sets, cars etc. laid upon the theme of pride.

Example:

"KUMARI Jewellery adorns fashionable ladies."

☞**The Theme of Comfort**: Products, which aid in giving comfort to the people at work at home are advertised through the theme of comfort.

Example:

"Stop Bad breath while you fight tooth decay all day.

What to do? BABY TOOTH-PASTE CALCIGUARD Great Refreshing Flavour"

☞**The Theme of Economy :** This is a common appeal used in many cases for saving money.

Example:

"Easy Care Fabrics! BABY FABRICS that need no ironing."

☞**The Theme of Fear:** The theme of fear is utilised by insurance companies, banks etc. The advertiser tries to evoke feelings of fear or anxiety in the minds of public saying that the failure to use the advertised product might result in great loss or damages in terms of money, health or prestige etc.

Example:

"If it is GODREJ, it is safe."

☞**The Theme of Emulation :** The desire for imitation is strongly created human nature, by giving illustrations and factual information as to what some distinguished persons do.

Example:

"The successful men all over the globe use BABY FABRICS."

☞**The Theme of Distinction :** The desire for individual recognition, distinct social status and superior community standing is inherent in human nature.

Example:

Be a VIP by possessing a BABY pen.

☞**The Theme of Affection:** By directing appeal towards parental love, the copy of advertising becomes effective in securing action on the part of buyers.

Example:

"Glaxo Builds Bonny Babies."

☞**The Theme of Patriotism :** The appeal for products of national origin is sometimes based upon national sentiments.

Example:

"Titan watches are better than foreign made."

Today, advertising is used by men in various walks of life.

CHAPTER – 2
Corporate Advertising Campaign: Planning & Development

Chapter-2

CORPORATE ADVERTISING CAMPAIGN: PLANNING & DEVELOPMENT

The advertising campaign is a series of related advertisements focusing on a common theme, slogan, and a set of advertising appeals. The campaign is a specific advertising effort for a particular product or service that extends for a defined time period. Management of advertising begins with understanding the steps in developing an advertising campaign and then taking important decisions relating to each steps.

The Advertising Campaign Process diagram is shown below:

The Advertising Campaign Process

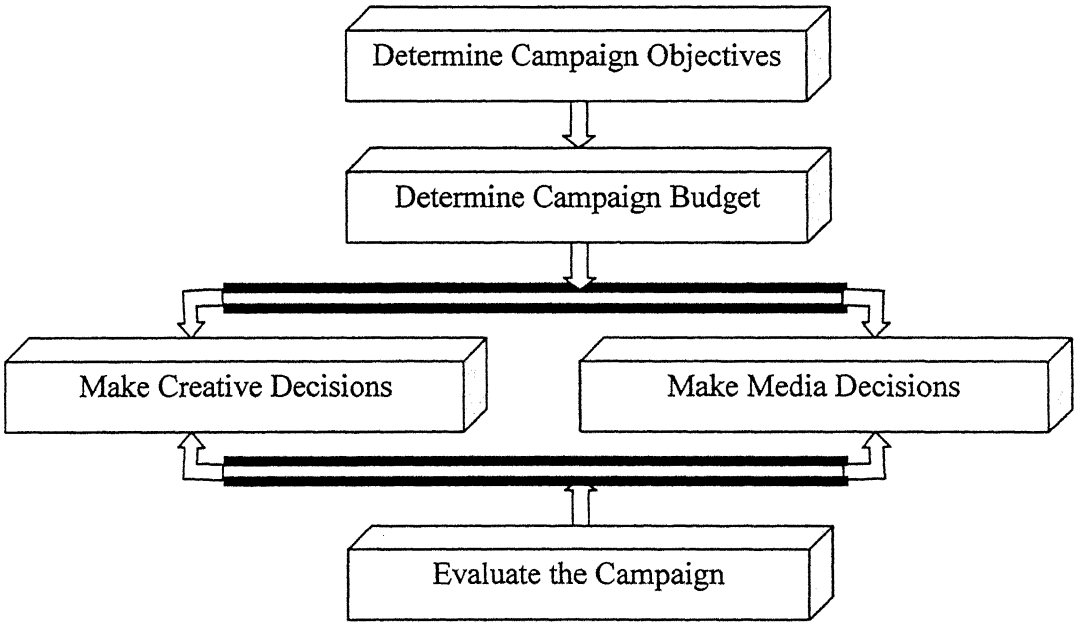


Fig: 2.1

⇨ Determine the Campaign Objectives

The first step in the development of Advertising Campaign is to determine the advertising objectives. An advertising objective is specific communication task a campaign should accomplish for a specified target audience during a specified period of time. The DAGMAR approach (defining advertising goals for measured advertising results) is one method used for setting objectives. According to this method, all advertising objectives should include the target audience (precisely defined), the desired change (stated in a percent), and the time frame in which that changes is to occur. The objectives of a specific advertising campaign will vary, depending on the overall corporate objectives and the product or service advertised.

⇨ Determine the Campaign Budget

Budgets for advertising campaigns are set in the same fashion as for the overall promotional budget. Marketing managers have five methods to set their advertising budgets:

(1) arbitrary allocation / all-you-can-afford method,

(2) competitive parity,

(3) the percentage of sales method,

(4) the market share approach, and

(5) the objective and task method.

To effectively evaluate the advertising campaign budget, marketing managers must verify that the budget contains only those items directly related to the campaign. Several items included in the budget are as follows:

a) All paid advertising space and time in recognized media

b) Brochures, catalogs and package inserts used for advertising and promotion.

c) All salaries and operating expenses of the advertising department.

d) Professional and consulting fees paid to advertising agencies, writers, artists, and other supplementary services.

e) Photography, typography, artwork, printing, audio, video and other mechanical costs involved in preparing advertising material.

⇨ Make Creative Decisions

The next step in developing an advertising campaign is to make the necessary creative decisions. Creative decisions includes the following:

Identifying the product's benefits,

Developing advertising appeals,

Evaluating the advertising appeals and selecting a unique selling proposition, and;

Executing the advertising message.

A well known rule of thumb in the advertising industry is "sell the sizzle, not the steak." That is, in advertising the goal is to sell the *benefits* of the product, not its *attributes*. Advertisers should know the difference between a product's attributes and its benefits. The description of a benefit should tell the consumers what they would receive or achieve by using the product. A benefit should answer the consumers' question, "what's in it for me?" On the other hand, an attribute only describes a feature of the product. Marketing

research and creative intuition are usually used to develop the perceived benefits of a product and a relative ranking of these benefits.

Developing and effective advertising campaign requires a stream of interconnected decisions on such matters as budgeting and media, as well as a strong creative strategy. The process followed in planning and developing an advertising program is shown in the diagram drawn below:

The Advertising Planning and Development

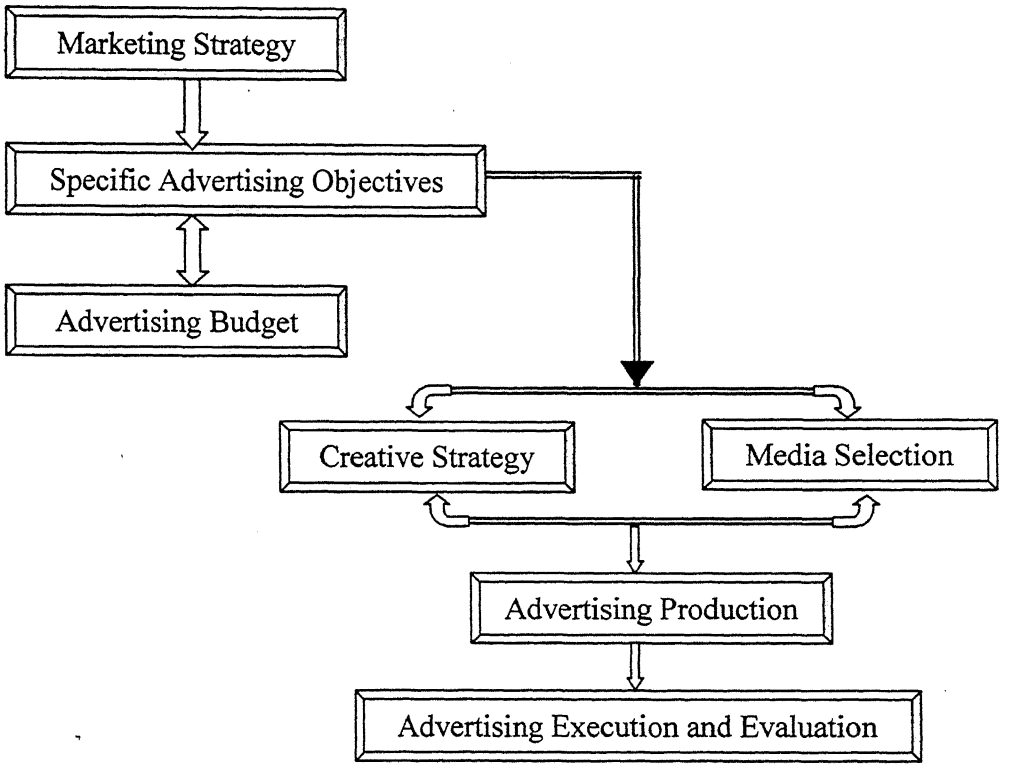


Fig: 2.2

Each of the activities involved in the process is discussed as under.

As we have seen earlier, goals and objectives must be established before work on specific plans and actions are begun. This relationship between objectives and plans holds true where advertising is involved. Before developing a single corporate advertisement, management must ask what the advertising is expected to do.

Advertising is supposed to prompt sales of the product. That statement, however, is too broad to be truly useful to marketing planners. Advertising is, after all, only one element of the marketing mix. It affects and is affected by the product, the price, the packaging, the distribution, and the other elements of promotion. All these elements combine to sell the product: advertising does not do the job alone. Regardless of the appeal and longevity of advertising campaigns, such as those of Sahara Air India or Indian Airlines, successful advertisements do not stand by themselves. Effective advertising campaigns are developed as part of an overall marketing strategy and are tightly co-ordinated with the other facets of the promotional mix.

Corporate Advertising Objectives And Product Life Cycle

The Corporate Ad objectives have to be modified in the changing phases of Product Life Cycle (PLC). The changing concept of Advertising objectives would be relevant to meet to the corporate goal in the long run. For retaining the product and services in the competitive world, the corporate ad objectives have to be dynamic and suitably adjusted with market environment.

Advertising objectives have to change with environmental conditions, as do all other aspects of marketing. Marketing is dynamic; advertising, as one of its most visible components, must be especially reflective of change.

The concept of the product life cycle, usefully illustrates the notion of change. As PLC diagram shows advertising objectives change over the course of a product's life. During the introductory stage of the cycle, developing consumer brand awareness and getting customers to try the product are normal advertising objectives. Trade advertising to attract and interest distributors in carrying the product is equally important, although less obvious, during this stage. Additional trade advertising may be developed later, with the objective of increasing the numbers of distributors and retail outlets.

At the start of a product life cycle, it may be necessary to develop **generic, or primary, demand** for the product – i.e. demand for the product class as a whole. This kind of advertising, which often must be so basic as to explain what a product is and how it works, is called **primary demand advertising.** It seeks to introduce the product without particular concern for different brands. Advertising of this sort is also called *pioneering advertising.*

Changes in Objectives over the Product Life Cycle

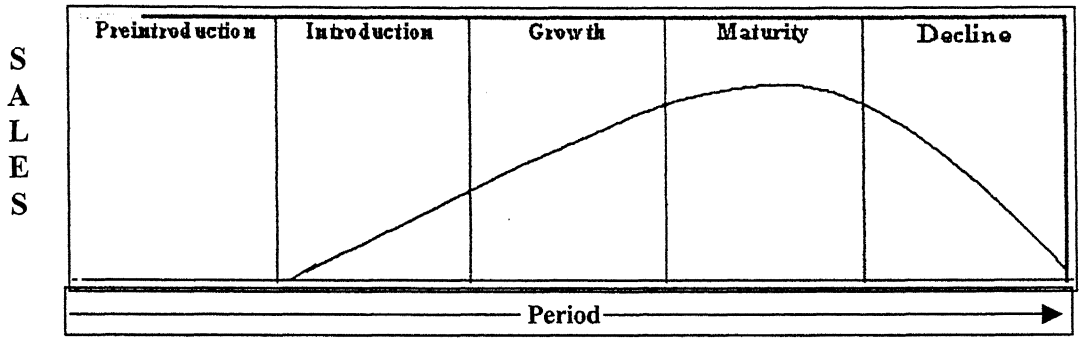


Fig: 2.3

General Promotional Objectives & Advertising Strategy at different stages of Product Life Cycle

1. Pre-introduction stage: General Promotional Objectives during the stage of Pre-introduction the advertising objectives has to be simple and clear and the plan has to be promotional. Similarly the Advertising Strategy in this stage should identify the types of advertising and selection of media.

2. Introduction stage: General Promotional Objectives during the stage of Introduction advertising should develop the product awareness and simulate generic demand for the product and should attract the distributors. Advertising Strategy in the introductory stage should create the primary demand to get potential purchasers to try the product and should trade the advertising to introduce the product.

3. Growth stage: At this stage the general promotional objective should create product acceptance and brand preference if there are competitive products. Similarly, the advertising strategy should widen the advertising expenditures so as to emphasize on the advantages of the product and brand.

4. Maturity: At the stage of maturity the general promotional objectives should maintain and enhance brand loyalty. Similarly, the advertising strategy should advertise the product repeatedly to promote its features.

5. Decline: At this stage the general promotional objective should decide on which product is to be taken out. Similarly, the Advertising Strategy at this stage should minimize its advertising expenditures emphasizing low price to reduce inventory.

Advertising of Established Product

As products are managed through their product life cycles, marketing managers' advertising objectives inevitably change. Advertising for a established or mature brand, such as Pepsi or Coke may be aimed at regular, brand-loyal users. Its purpose is substantially different from that of advertising used to introduce a new brand, such as Crystal Pepsi. Promotion to loyal customers requires a campaign designed to remind them of Pepsi's image and of their satisfaction with the product. Regular buyers do not need detailed information about the product and its contents.

In the case of established mature products, then, advertisers give relatively little emphasis to explaining product features. Messages that are increasingly symbolic accompany the product's "aging process." Partly, this reflects the facts that positioned, either by marketers or by the competitive forces of the market itself, to appeal to smaller and more specialized market segments than when they were new and lacked intense competition.

The Surf or Lifebuoy advertisement is a good example of an advertising campaign for a product in the maturity stage of the product lifecycle. The advertisement does not explain anything about the characteristics of the product. Rather, it reflects the psychological or emotional dimensions of the brand and the situations in which it is consumed. Because most products on the market are in their maturity stages, much advertising emphasizes psychological benefits to differentiate brands. Such advertisements stress the reasons a brand is better than its competitors instead of emphasizing the newness or uniqueness of the generic product, as is done at the start of the product life cycle. Advertising of this kind is called **selective demand advertising.**

Thus the most commonly encountered advertising objectives for established and mature products may be:

(1) To Increase the number of buyers by

a) Converting buyers of competitive brands

b) Appealing to new market segments and

c) Repositioning the brand

(2) To Increase the rate of usage among current users by

a) Reminding customers to use the brand

b) Informing regular consumers of new uses and

c) Enhancing brand loyalty and reduce brand switching among current customers.

After determining the advertising campaign's objective, marketing managers begin to develop a creative strategy and to select advertising media.

Corporate Strategy

In advertising, the generation of ideas and the development of the advertising message or concept make up the **creative process.** Actually, creativity is necessary to all aspects of the marketing mix, but the term has come to particularly associate with the people who actually develop and construct advertisements. Whether creative activity is based on information gathered by marketing research or on analysis by management, the basic thrust of an advertising message is developed primarily by the creative departments of advertising agencies. As a result, this aspect of advertising receives a good deal of glory.

Discussing creativity is a difficult task. However, it is possible to describe schematically the steps involved in the creative process as described in the diagram below:

Creativity is an important aspect of the Advertising Process

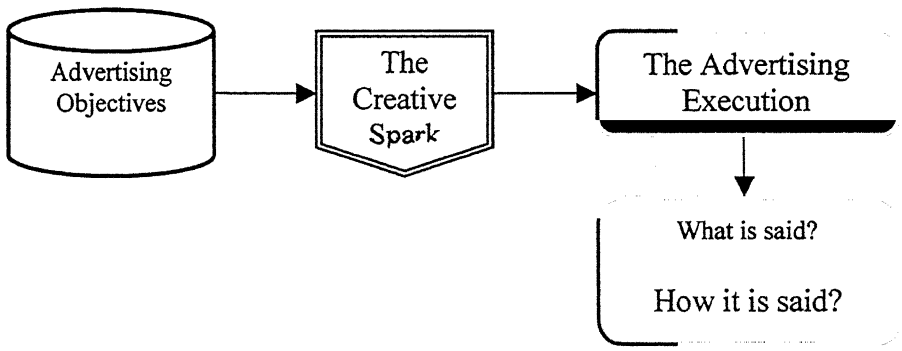


Fig: 2.4

The role played by that elusive something called creativity, however, can only be shown as the occurrence of a "creative spark."

Advertising objectives provide a framework for creative efforts, but the creative spark is probably where the persuasion is built into the advertisement. The advertising copywriters, art directors and other creative

people are responsible for the task of answering two questions: *What to say* and *How to say it?* These two questions reflect the two basic parts of the creative strategy.

Developing Corporate Advertising

The central idea of an advertising message is referred to as the **advertising appeal.** The purpose of the appeal, and of the advertisement, is to tell potential buyers what the product offers and why the product is or should be appealing to them. Thinking about advertisements we have seen brings to mind the many kinds of appeals advertisers employ. It may be that the product offered has sex appeal, is compatible with the target customer's lifestyle (or desired lifestyles), or solves some particular problems as "morning mouth," "medicine breath," or the need for healthy gums. Commercial messages making firm promises, like "Never again will you have to weed your approach that specifically describes the answer to a problem in this manner is most effective. Other advertisements are built around appeals that are less straightforward, such as the cosmetics, beer, and hotel advertisements that stress brand image.

When the same advertising appeal is used in several different advertisements to provide continuity in an advertising campaign, it is referred to as an **advertising theme.** The Army, for example, uses the theme, "Be all that you can be" in it's advertising to both high school dropouts and college graduates. To get a feel for how creative advertising appeals vary across an industry, it is useful to consider several brands of the same product and the advertisements developed for each.

Tiger brand beer is very name demonstrates its intended appeal to a particular region of the country. It is positioned and advertised as a part of the lifestyle. Kingfisher beer claims a different, even narrower regional identity to generate high brand awareness.

The important thing to note here is the advertisements for these products, as well as those for many others, feature different appeals. If every brewer

simply said, "Our beer tastes great, "no brand's advertising would be unique or memorable. Creativity is responsible for this uniqueness.
But there's more to creativity than that. Many advertising appeals, such as the appeal for beer just described, are part of positioning promotional campaigns. Advertisers create these appeals so that consumers will perceive their brands as holding distinctive competitive positions. This strategy may be so successful that claims – perfectly true claims – that the producer of one brand wants to make may not be believable because of the competitive positions other brands hold in consumers' mind. Creativity, then, is more than an advertising tool. It is a competitive tool.

Execution of the Appeal

Even when the copywriter or artist has an important and meaningful message to relate, its effect can be lost if it is not presented in the right way and in the right context. Marketing research can help in this regard. For example, an advertising agency's research indicated that many women who buy frozen foods lead hectic lives and because of time constraints, have trouble coping with everyday problems. So far so good.

On this basis, advertising was developed for Swanson frozen food showing a rundown woman flopping into a chair just before her family is to arrive home demanding dinner. Suddenly realizing that she has a problem, the woman gets the bright idea of cooking a frozen dinner.

The problem was real enough, but the appeal was wrong. The last thing harried women want is to be reminded of how tired they are. Realizing this, Swanson changed its advertising appeal. Television viewers are fond of pointing out that married women in commercials are almost always peppy and well groomed even they are doing the laundry or washing the floor. Advertisers use such images to bring the solution to a problem to the target customer's attention without making her feel like cursing the laundry or the dirty floor.

How to say something is as important as and sometimes more important than – what to say. This is perhaps cent percent true in advertising. The person delivering the message, the emotional tone of the advertisement, and the situation in which the action takes place all influence the effectiveness of advertisements. Although some advertisements should effectively say things to people, both with and without words, and the creative spark clearly is vital here. The slogan "At sixty miles an hour, the clock on the dash is the loudest thing you hear," tells the target customer something about the excellent construction of the Rolls Royce automobile. Suzuki motorcycles "Suzuki – The ride you've been waiting for," is a catchy phrase, as is "I'm stuck on Band-Aid, and Band-Aid's stuck on me." The Hathaway man's eye patch is a symbol rich in meaning. So is the Marlboro man's cowboy hat and horse. One mark of the talent and success of creative individuals is that much of their work is so powerful that it can be used effectively in advertisements for decades. Many slogans, pictures, and other components of advertisements can be immediately identified with particular products by generations of consumers. These successes depend on the creative person's ability to capture a feeling or fact with just the right phrase and the right symbols. Compare, for example, these common advertising phrases with the way they might have been written:

"Are you a Saltholic?"
"Is it possible that you ingest understandable levels of salt?"

"In touch with tomorrow – Toshiba."
"Toshiba: Our Company uses advanced technology."

How an advertiser says something is influenced by the medium that is used to convey the message. Obviously, a newspaper advertisement cannot duplicate the sound of a railroad train, but that sound might be effectively used in a radio advertisement. Determining how to communicate the message, then, is interrelated with selecting advertising media.

Nevertheless, advertisers can present or creatively implement a basic appeal, such as one based on a product's good taste, in a number of ways. Ray Charles and other characters in Diet Pepsi commercials use a singing and dancing format to present the sales message. A Prudential Insurance Company commercial tells a short story about a fellow who actually dies and goes to heaven. The **execution format** or style of presentation, of these sales messages is quite different. What execution formats are selected by the people assembling the advertisements, and how they use those formats, are matters of creativity.

Looking at some of the major execution formats used in advertisements, especially TV commercials, helps put the creative strategies behind advertisements into perspective.

The major formats are: storyline, product uses and problem solutions, slice of life, demonstration, testimonial and spokesperson, lifestyle, still life, association, montage, and jingle.

Storyline: The storyline advertisements give a history or tells a story about the product. For example, initial advertising for the Saturn automobile told the story of how a town, a company, and its employees were changed when General Motors made the decision to build a new kind of automobile. Similarly, certain European, vacation spots are shown in all their historical glory from the Middle Ages to the present. In television commercials using this format, unseen announces (in a technique called a voiceover) often narrate stories with recognizable beginnings, middles, and ends. As the stories unravel, the audience learns how to do something, such as solve a common problem, or is given some background about the product. Some copywriters attempt to make the product the "hero" of the story.

Product Uses and Problem Solutions: A straightforward discussion of a product's uses, attributes, benefits, or availability is a frequently utilized advertising format. A *unique selling proposition* is the central focus of such an advertisement. Comparatively simple advertisements for products ranging

from Crest toothpaste to Texaco gasoline explain uses of the product and how the product can solve a problem. Crest fights tooth decay. Texaco stops your car from "pinging." The markers of exercise equipment may point out that being fat and out of shape is a problem ("your chest doesn't belong on your stomach") and may show that their product is a solution to the problem.

Slice of Life: The slice-of-life format dramatizes a "typical" setting wherein people use the product being advertised. Most of these commercials center on some personal, household, or business situation. A trucker calling home, two homemakers talking about a laundry problem, and an attractive neighbour's visit next door to borrow some Taster's Choice coffee are examples of slice-of-life advertisements.

The slice-of-life commercial begins with a person *just before* the discovery of an answer to a problem. Whether the trouble is dandruff, bad breath, or not being home for a holiday, emotions are running high. The protagonist may know of the problem or may be told about it by another character. The product is then introduced, recommended, tried by the needy person. Just before the end of the commercial, we are told – and, indeed, can see for ourselves – that the new user of the product is now satisfied, a happier person.

This advertising format is most common TV commercials, but similar real-life stories can be developed in print media through the use of a series of pictures and in radio advertisements through the use of character voices. The slice-of-life format is essentially a dramatized variation on the problem solution format.

Demonstration: Certain products lend themselves to a demonstration format. For example, the Master Lock advertisement in which bullets are to repeatedly fire into a lock that does not open is suspenseful and self-explanatory. The demonstration format makes it sales pitch by showing a clear-cut example of how the product can be used to benefit the consumer. It does this by either dramatically illustrating product features or proving some

advertised claim. The Master Lock advertisement certainly seems to prove that product's claim to toughness. Unusual situations, although occasionally bordering on the fantastic, can draw attention to product benefits. When Bic throwaway ballpoint pens were new to the market, advertisements "proved" their high quality by showing riffle champions shooting Bic pens through blocks of wood. The pens still wrote. The novel situation drew viewers' attention and illustrated Bic's quality.

Comparative Advertising which directly contrasts one brand of a product with another is a form of demonstration advertising. In a comparative advertisement, the sponsor's product is shown to be superior to other brand or to Brand X in a taste test, laundry whiteness test, toughness test, or other appearance contest.

This format is somewhat controversial on two counts. First, some advertisers believe that calling attention to another company's brand helps that competitive product by giving it free exposure. Certainly, the competitive brand receives some attention; this fact itself is sometimes advantageous to the advertiser. Brands that do not have a high market share are intentionally compared with the best-known products to suggest that the two brands are equal. Pepsi, the newer cola, thus urges comparisons with Coke.

This commercial, which has been shown in more than 14 counters, illustrates a second point. Some people do not feel that such comparisons are fair and sporting. Indeed, comparative advertising is not allowed in some places. Another version of the "Feelings" commercial had to be produced in Italy, Greece, and Spain. In these countries, advertisers are prohibited from naming competitors or showing competitive products. The commercial in these countries shows M.C. Hammer drinking the "Coke" from a plain white cup.

Overall, however, advertisements using the direct comparison format have been increasing in number in recent years. The Conferdation Indian

Industries believing that honest comparisons will help the consumer to make choices has supported this trend.

Testimonial and **endorsements** show a person, usually a prominent show business or sports figure, making a statement establishing that he or she owns, uses, or supports the brand advertised. The idea is that people who identify with the celebrity will want to be like that person and use the same product. Alternatively, it is hoped that consumers will see the endorser as an honest person who would not lend his or her name to a product that is not good. Testimonials may use celebrities or others who, by virtue of their training or abilities, are seen as "experts" on the products being advertised.
A variation on the testimonial appeal is the use of a spokesperson. The **spokesperson** represents the company and directly addresses the audience, urging them to buy the company's product.

Lifestyle Advertisement combines scenes or sequence of situations intended to reflect a particular target market's lifestyle. Soft drink and fast food advertisements, as well as those of many other consumer goods, frequently show product users in a sequence of daily activities. Young people might be shown enjoying some weekend activity and topping off a perfect day with Mountain Dew or a visit to McDonald the Burger King. Thus, the enjoyable aspects of teenage life are shown in association with product usage. Important to such advertisements are the sorts of people displayed.

Still Life advertisements portray the product in a visually attractive setting. The product or package is the focal point of the advertisement. Reminder advertising often uses still-life formats because the most important aspects of the message is to reinforce the brand name.

Association advertising format concentrates on an analogy or other relationship to convey its message. This creative strategy often "borrows interest" from another, more exciting product or situation. Thrilling activities, such as skydiving or windsurfing, and scenes of beautiful places, such as the coast of Maine or mountain wilderness, are used in this way. The

purpose of such analogies is to create an emotional mood. The psychological benefits of the product are communicated through the associations drawn by the viewer. More prosaic analogies are also used to make the product and its benefits easier for the consumer to understand.

Fantasy is a special associative format. The long-lived series of advertisements for Chanel perfume is a perfect example of the fantasy approach. The fantasy appeal seeks to associate the product not merely with a glamorous setting but with the target buyer's wildest dreams and hopes.

Montage format blends a number of situations, demonstrations, and other visual effects into one commercial. The effect may be one of a swirl of colours or an exciting array of possibilities associated with product usage. Typical of such a format are travel advertisements for places like Jamaica. In these TV Sports, the varied sights and sounds of an island paradise are strung together not only to show the many activities that are to be found there but also suggest the excitement of the place and the sense that there is so much to do that the trip will surely be worth the investment.

Other Formats is a short list of advertising formats is far from exhaustive. Animation and special effects, for example, have not been mentioned. However, this discussion should help you to think of other advertising formats and of the ways they work in developing an effective marketing program for a product advance virtually the same message or appeal, even though they are constructed differently to fit each medium.

Copy – The Verbal Appeal

The term copy refers to the words in an advertisement. The words may be printed or verbalized by a character in a commercial or by an announcer. In certain advertisements, such as radio advertisements, the copy makes the biggest contribution to the advertisement's effectiveness. Even in a visual medium, such as television, copy is likely to retain its supremacy, because many of the claims an advertiser makes must be supported by the comments

of the announcers or the characters. For example, advertisements for laundry detergents may show two piles of wash. It is the copy that assures viewers in a hammock drinking lemonade does not, of itself, tell the viewer that he can relax because he has a lawn boy mower. The man in the advertisement, or an unseen announcer, tells us that is the case.

Some advertisements are loaded with copy and have few illustrations. Success with that type of advertisements is possible because many people are so interested in a product's possible benefits that they are willing to read long paragraphs of information.

Art-The Visual Appeal

The term art is broadly used to mean all aspects of an advertisement other than its verbal portions. Thus, pictures, graphs and charts, layout (the arrangement of the visual elements), and even white spaces (places where neither pictures nor words appear) fall under the heading of art.

The function of pictures in an advertisement is to illustrate a fact or idea or to attract attention. White space and layout are more subtle in their purposes. Layout can be effectively used to focus the viewer's attention on the picture of the product. It can also be used to draw attention to the brand name, the price, or the place of sale. White space can be used in similar ways but is more commonly used to suggest high quality. Notice that many to accent the product. A great deal of white space says that the pictured item is special, probably expensive, and certainly of high quality. It implies that the product deserves the spotlight given it by a plain field that accents its appeal.

Thus, many advertisements for expensive jewelry picture the term on a plain-coloured velvet cloth, only a few words are included so consumers are not distracted from the beauty and perfection of the jewelry. In contract, a busy advertisement featuring a jumble of words and pictures and a small amount of white space may suggest low price and low quality. Look closely at the advertisements in your newspaper of favourite magazines and notice how layout is used in ways such as these.

AIDA Formula

Most advertisements, with the exception of radio advertisements, feature both copy and art. The two elements must work together and complement each other to accomplish the communication objectives set by management. To do this, most advertisers follow a hierarchy of effects model known as the AIDA formula. AIDA stands for ***attention, interest, desire and action.***

Attention is an effective advertisement must draw attention from the very first glance or hearing. Whatever follows will prove of little use if the target viewer has not been influenced to pay attention to the message first. Copy can be used to accomplish this, as when radio advertisements start out sounding like soap operas or mystery stories to draw attention. The copy can be enhanced by illustration. Often a person, representing the target customer, is shown in situations that make the viewer think, "What's going on ?" or "What happened to these people?" For example, to attract the attention of luggage users, Samsonite luggage company has for years run advertisements showing such things as suitcases falling out of airplanes and suitcases supporting automobiles that have flipped over on top of them. Humour is another attention-getting device, as the accompanying Competitive Strategy feature illustrates.

3774-10
7141

Interest arises after the attention has been attracted. If the attention – getter is powerful enough, interest should follow fairly automatically. However, it may be necessary to focus the viewers or listeners on how the product or service being advertised actually pertains to them.

Desire arises immediately after the interest. A TV commercial for ChemLawn demonstrates homeowner's mind. Thus, interest to the desire of the product are established in nearly simultaneous steps.

4-1595

Action is the last part of the AIDA formula. In the ChemLawn example, we find that the last thing in the commercial is a call to action. In effect, the

advertisement urges viewers to phone the local ChemLawn dealer for an estimate of what it will take to make them as happy as the man who has a nice lawn with no effort. Thus, the means to act is provided. Usually, the advertiser makes the action seem as effortless as possible by giving a phone number or closing with a note that credit cards are accepted.

How does the AIDA Formula Work: The AIDA Formula is based on a consumer behaviour theory that closely parallels the hierarchy of communication effects model discussed separately in the testing of Ad-effectiveness Chapter. The formula describes consumer's behaviour and serves as a guidance for creating advertising. AIDA makes good sense as an advertising tool and is widely known and followed.

It must be understood that it may not be possible for every advertisement to move the reader or viewer through the four stages to action with a single exposure. Repetition is usually necessary so that the advertisement's message can "sink in." Repetition also increases the chance that the target customer will see or hear the message at a time when there are no distractions. Finally repetition recognizes the buyer's changing environment. The target buyer who has just been paid or has received a tax return may perceive an already seen advertisement in a different light. Eventually, if the advertisement is an effective one aimed at the proper people, buyers are likely to move psychologically through the AIDA stages and then act.

As we have already indicated, the process of developing a creative strategy and a media selection strategy are interrelated, and the planning of these activities occurs simultaneously.

We now turn our attention to the selection of media.

Media Selection Strategy

Media Selection Strategy must take account of the message you wish to

transmit, the audience you want to reach, the effect you want to have, and the budget you have to support this effort.
Developing a media strategy requires answers to these two questions:

- Which media will efficiently get the message to the desired audience? and

- What scheduling of these media will neither bore people with too frequent repetition of the message nor let too many people forget the message?

In order to get a response of these queries one has to look the basic concept of media. The term media includes the following:

Mass Media and Direct Marketing Media

When we think of advertising, we normally think of mass media, such as radio and television. However, we must remember direct-marketing media as well.

The figure drawn on the following paragraph shows the individual advertising media in each of these classifications. Advances in technology have changes the nature of direct marketing media in recent, years.

Direct mail has been in existence for more than century, for example, but modern computers can access databases to customize what materials will be sent and to personalize the direct response advertising message to a household or an individual.

Representation of Mass Media & Direct Media

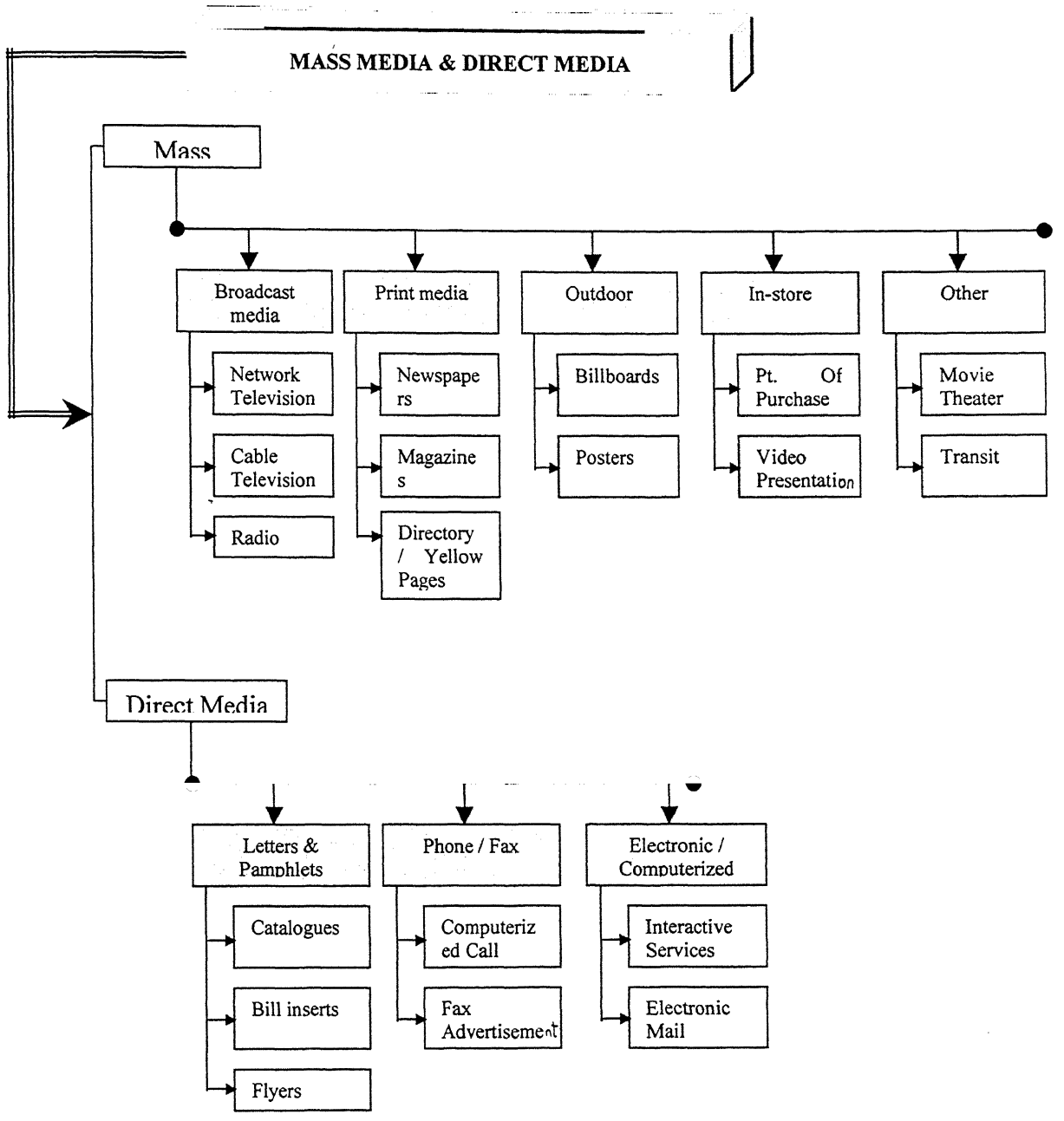


Fig: 2.5

There are two important points to mention about strategies stressing direct marketing media.

First, new products and services, such as fax machines and computer voice-recognition systems, are used in much the same way as direct mail has

always been used. That is, a list containing many individuals' names is used to directly contact potential buyers. A new technology, perhaps with sound or movement, replaces the postal service, but the process is essentially the same.

Second, as mentioned, computers are used to develop data bases that can customize the message any individual consumer or household receives. For example, a personalized greeting may appear on a letter that, in addition to conveying an addressing message, indicates the name of a local retailer that sells the brand being advertised. If the data base records the ages of the children in households, the advertiser using direct marketing can send coupons only to few selected households. Furthermore, if the database also indicates a specific brand which consumers regularly purchase, then an advertiser can limit the mailing list to consumers who are loyal to their product or other competitive brands.

Selection Of Media

Certain media lend themselves to certain tasks. If we assume, for the moment, that budget considerations can be set aside, certain factors become dominant in choosing the medium to carry a sales message. If demonstration or visual comparison of one brand with another is the goal, television becomes the most logical contender. If a lengthy explanation of sales points is required, print advertisements (magazines and newspapers) come to mind. If consumers require a message to remind them of package identification or a short sales idea, outdoor advertising makes sense. Thus, before a marketing planner starts thinking about what medium to use, he or she must know what is to be said. Once what is to be said is decided, the marketer's attention can turn to which median form can best say it. Ultimately several different media may be selected to communicate the multiple messages the marketer may want to communicate.

Several media may be appear to be able to do the particular job. When this is so, the marketing planner can narrow the choice by considering which media

will hit the all-important target market. At this point, the media expert becomes a market expert. Knowing the target market – who are the heaviest buyers, what are their demographic and psychographics characteristics – leads to a determination of which media planner in the insurance sector may be trying to target young males between the ages of 18 and 30; a Indian and Sahara airlines may be targeting well-educated, high income men and women between the ages of 25 and 55, similarly the primary customers for a fair & lovely cream may be youthful, fashion conscious women. What media will reach each of these targets most effectively?

Most products can be related to a demographic profile. The data gathered pertaining to media are geared to that same profile information. Thus, if the target audience includes men and women, and it has been decided that television will do the best job and that the media budget permits such an expensive choice, the media planner may go for prime time television – from 9 PM to 11 PM. The next question becomes which television vehicles (shows) have audiences whose profiles most clearly match those of the target customer.

Careful analysis of any organization's marketing communication efforts might show that what appears to be most appropriate advertising medium is, in fact, quite inappropriate. Where should one advertise a product like children's crayons ? Saturday morning Television shows, with their ability to show happy children drawing and colouring, and with their excellent demographics, would seem to be an obvious choice. But when Crayola's marketing manager discovered that mothers were the prime factor in purchasing the crayons, they shifted $1 million of their advertising budget out of children's TV and into women's magazines. The copy of the theme developed "Give them a fresh box of crayons and see how they grow," reflected the shift in audience and the new media strategy.

This is not to say that TV advertisements were not useful, but that TV advertisements coupled with women's magazines advertisements were better.

Strength and Weakness of Media

Each medium has its advantages and disadvantages. Direct marketing media, such as direct mail, can be very selective and can reach a clearly defined market, such as all families within a certain zip code area or all holders of American Express Cards. But it can also end up in the wastepaper basket.
Television reaches a mass audience. However, specialization by type of show is possible. Television allows the advertisers to show and tell, because it can involve sight, sound, movement, cartoons, actors, and announcers who are not seen at all.

The strengths of television may be outweighed by its relative expensiveness. Cable television, with advertising rates lower than the network television's, can be a good alternative for many products. Even when the advertising rates for a particular program or station are relatively low, however, the costs to develop and produce a commercial keep many potential users away from TV.

Newspapers have the advantages of mass appeal within selected geographical markets, a general respect in the community, and a short lead time (i.e. newspaper advertisements can be inserted, withdrawn or altered quickly).

Magazines have relatively long lead times but offer the advantages of selectivity of audience and far better reproduction of print and pictures than can be found in newspapers.

Radio provides geographic and demographic selectivity because the programming of the different stations attracts different sorts of listeners.
Its lead-time is short and its uses as a means to expose listeners to frequent messages is obvious.

Scheduling

The **media schedule** or **media plan** is a time schedule identifying the exact media to be used and the dates on which advertisements are to appear. Media planners not only select the general media category (such as magazines, and cable television) but also the specific media vehicles (such as Sports Illustrated and "Star Trek: The next Generation"). Selecting the specific media vehicles requires managers to consider reach, frequency, and timing.

Reach – i.e. the number of people exposed to an advertisement in a given medium – is an important factor in determining which media to use. Obviously, the advertiser who wishes to reach the largest number of people in the target audience must take cost into consideration.
A major aspect of the media selection job is making cost comparisons – evaluating whether for example, Sports Illustrated has a lower cost per thousand readers than Inside Sports.

Another cost, and another strategy consideration, relates to repetition, or **frequency** of the advertising message in a given medium within a given time period, typically a month. Frequency reflects the number of times an individual is expected to be exposed to an advertiser's message. Reach may be traded off for frequency. Two advertisements in Times of India, for example, may be more cost-effective than a single advertisement. Although cost is an important consideration, strategy considerations may be equally important in choosing between reach and frequency.

For example, frequency may be more important than reach when repetition will help the audience learn something new. If the advertising objective for a new brand is to establish awareness or to communicate a new product feature, then, the benefits of frequency may outweigh the benefits of reach. Because the trade-off between reach and frequency is a complex issue, marketing managers often use marketing research to help them choose the best media schedule.

Comparative Advantages & Disadvantages Of Selected Advertising Media

Newspapers		Transit	
Advantages	Disadvantages	Advantages	Disadvantages
Geographic market selectivity Flexibility— ease of ad insertion and change	Lack of permanence of Advertising message Poor quality of printing Production limited demographic Orientation	High reach and frequency Potential Impact—total bus may be ad Geographic market selectivity Inexpensive on a relative basis	Limited demographic selectivity limited availability does not exist in many markets Image is thought to be poor for certain markets
Magazines		Point-of Purchase	
Advantages	Disadvantages	Advantages	Disadvantages
Demographic market selectivity Long-life ad capability Good quality print production Editorial support	Lack of flexibility— difficult to make last-minute changes Limited availability Expensive— especially for color	Promotes impulse buying "Sells" in nonpersonal selling environment Ties together product and ads	Difficult to obtain desired placements Clutter Limited creative possibilities
Radio		Directory	
Advantages	Disadvantages	Advantages	Disadvantages
Geographic and demographic market selectivity Flexibility Inexpensive on a relative basis	Lack of permanence – persist ability Clutter Lack of visual support Limited impact –	Permanence – long life High reach and frequency potential	Limited customer usage Market coverage limited to phone customers

	background medium		
Television		Outdoor	
Advantages	Disadvantages	Advantages	Disadvantages
Show and tell – demonstration is possible Geographic market selectivity Market penetration due to large viewing audience	Perishable ad message unless repeated Expensive on a relative basis Clutter – message may become lost in group of advertisements	High reach and frequency potential Market selectivity High impact due to size Inexpensive on a relative basis	Brevity of message Image is thought to be poor for certain markets Clutter is often present Location choices may be limited
Direct Mail			
Advantages		Disadvantages	
Highly selective Easy to measure results Lengthy copy possible Reader governs exposure		Expensive – especially on a cost-per-person basis Little or no editorial support Limited reader interest	

Table: 2.6

Advertisers combine reach and frequency by calculating **gross rating points (GRPs)** to compare alternative media schedules. The number of gross rating points equals reach (in percentage points) times frequency. For example, suppose a local news program reaches 25 percent of the market and an advertiser places four commercial on this program. This scheduling represents 100 GRPs.

The timing of advertisements is a complex issue. Should advertising be spaced steadily throughout the year, concentrated in a particular season, or pulsed at regular or irregular intervals so that the company spends heavily during one period and then withdraws for a time? These are important

questions, and they require a great deal of research and analysis by media planners.

Thus the characteristics of different advertising media vary greatly. These variations play an important role in the marketing manager's choice of media. Most important of all, however, are the advertising objectives the marketer determined at the start of the advertising planning process. These objectives dictate which media will have the optimal impact.

Then the choices of reach, frequency and timing must be evaluated in terms of the realities of the budget. Cost is always a consideration in any organizational decision. We see, again, however, that careful and effective marketing planning can yield a communications effort that is both creative and successful.

Evaluation Of Corporate Advertising Campaign

The next step in the corporate advertising campaign process is the evaluation of the campaign. This can be done before, during, and after the campaign.

Pre tests Before an Ad campaign is released marketing managers use pretests to determine the best advertising appeal, layout, and media. Several common pretests include consumer jury tests, portfolio or unfinished rough tests, and physiological tests.

Consumer Jury Test The consumer jury test, or focus group interview uses a panel of target market consumers. They preview several advertisements and examine the unfinished ads or storyboards. Next, panel members rank them and explain their ranking and reaction to each ad. Focus groups may also play an important role in developing the advertising appeals and determining the appropriate slogan

Portfolio or Unfinished Rough Tests The purpose of the portfolio test is to evaluate print advertising. Before marketing managers selects a final

advertising appeal and layout, they give consumers several dummy magazines, complete with stories and different versions of the advertisements, to read. Next, consumers are then asked what ads they remember (unaided recall). Then they respond to questions about specific ads (aided recall). Similarly, unfinished rough test measures the effectiveness of proposed television commercials. The marketing managers create an unfinished rough, or a rough videotape of a television commercial, and show it to consumers. They are then asked to recall the message.

Physiological Tests To avoid the bias sometimes encountered in other tests, some managers have turned to physiological testing. Consumers haul involuntary physiological reactions to specific advertisements. Physiological tests measure these human responses through galvanic skin response tests, eye movement experiments, and pupil dilation measurement as indications of promotion awareness and interest.

Post tests After advertisers implement a campaign, they may conduct tests to determine its effectiveness. They may use several monitoring techniques to determine whether or not the campaign meets its original goals and objectives. Even if a campaign is highly successful, advertisers still typically undertake a post campaign analysis. They assess how the campaign might have been done more efficiently and what factors contributed to its success. The effectiveness of a campaign is usually tested through recognition or recall tests or by attitude or audience measures.

Recognition Tests Recognition tests can be best described by the Daniel Starch Readership or Recognition lest used to measure the effectiveness of magazine advertising. Consumers are measured on magazine ad readership and grouped in three different categories:

(i) those who noted the ad

(ii) those who can identify the company name with the advertisement, and

(iii) those who read at least 50 percent of the advertisement.

Recall Tests The recall test can be used with almost any type of media, from television ads to billboards. Unlike recognition tests, recall tests do not show respondents the advertisement. Instead, they are asked to remember the commercial or advertisement as a measure of unaided recall. This determines how much information the target consumers have learned. Aided recall provides certain cues to jog the interviewees' memories. An implied assumption of recall tests is that higher recall ultimately will change behavior or attitudes. That is, if consumers can recall a specific product's advertisement then they are more likely to buy the product. An advertiser, however, should not completely rely on this assumption.

A consumer may recall the advertisement because of its executional style but never intend to use the product. Just because consumers can remember an advertisement doesn't mean they will buy the brand.

Attitude Measures Often attitude measures are incorporated into recall and recognition tests. Interviewers may ask interviewees to tell them whether a promotion is believable, convincing, dull, imaginative, informative, phony, realistic, silly, and so on. They may also ask the following multiple-choice question:

How did the advertisement affect your desire for the product?

1) Increased very much, 2) increased somewhat, 3) unaffected, 4) decreased somewhat 5) decreased very much. On the basis of response one can measure the attitude of consumers.

Audience Size Measurement Audience measures are generally made by the same research organizations that gauge advertising effectiveness. In addition to the Starch Test discussed previously, the Target Group Index (TGI) specializes in periodic magazines audience studies.

CHAPTER – 3
Corporate Advertisement Management

Chapter-3

CORPORATE ADVERTISEMENT MANAGEMENT

What advertising can do for the corporate sector depends on the way advertising activities are been managed by the marketing executives at the company level. The effectiveness of advertising is co-extensive with the effectiveness of its management. Management of corporate advertising involves a number of steps. These include, setting Ad objectives, determining advertising budget, organizing and executing advertising tasks, selecting advertising media, preparing advertising copy and lay out, and co-ordinating and evaluating the advertising tasks so as to ensure and determine advertising effectiveness. All these managerial aspects of advertising have been discussed in the following paragraphs.

1. Setting the Advertising objectives

The first and foremost task in the management of advertising is to set up appropriate objectives which management seeks to achieve through advertising. Realistically laid down objectives infuse a sense of purpose among all those involved in the task. The clearly defined objectives serve as sheet anchor and as standards of advertising performance. Properly laid down objectives make the entire advertising exercise goal directed, purposive and meaningful. Following are some of the important objectives which advertising company would like to achieve.

- ❖ Increase Sales
- ❖ Introduce a new product
- ❖ Support Sales Force

- ❖ Reach Inaccessible Consumers
- ❖ Enter a New Market Segment
- ❖ Improve Dealers Relations
- ❖ Expand Industry's Sales
- ❖ Counter Prejudice
- ❖ Build up Goodwill
- ❖ Build up Brand Preference
- ❖ Counter competitive Advertising

2. Advertising Budget

After setting the advertising objectives, the next important managerial job is to determine the advertising budget or outlay for company's budgetary period. Advertising budget is the that part of the company's communication budget which has to be spent on media, men and other ancillary services so as to impersonally communicate with the target consumers. Determination of the advertising outlay is essential for the development of creative media strategies because in a large measure the tempo and tenor of the advertising campaigns depend on how much fund is available for spending. However, from the managerial standpoint it is also the most difficult task. "Even the most seasoned and sophisticated businessman never feels quite sure whether he has allocated the right amount for advertising. [1]

The following methods can be used for determining the advertising appropriation.

[1] ***Dunn, S.W. and A. M. Barban, Advertising: Its Role in Modern Marketing, III, p. 253.: The Dryden Press, 1974***

(a) Affordable Method

One of the methods to determine advertising appropriation is to find out what the company can afford in; a given business situation. It envisages that advertising appropriation is possible only when the company has met all other a priori claims. In order to crystallize this idea, Dean has suggested that everything exceeding a respectable or targeted return on capital may be spared for advertising, "since excess earnings have low utility to management as such, compared with the possible contribution of continuous advertising to the eternal life for the firm." [2]

(b) Percentage-of-Sales Method

Advertising appropriation may be determined on the basis of relationship between advertising expenses and sales revenue as indicated by a certain percentage of sales. It may be explained as follows:

Advertising appropriation= Rupee sales X percentage

The sales on which advertising appropriation is based may be historical-immediate past year's or an average of past years' or anticipated or both. Percentage figure on the other hand may be arrived at on the basis of management's historical experience, judgment, or industry practice. For example a company may appropriate Rs. 10 Lakh advertising outlay which may be 2 percent of the preceding year's sales.

(c) Competitive Parity Method

This-method envisages determination of advertising appropriation in such a way that a company maintains parity with its competitors' advertising outlays. For this purpose company has to collect relevant data about competitors' advertising appropriation, for example, previous year's absolute figures, advertising/sales ratios, etc.' For this purpose, the potential sources of information include industry publications, inter-firm comparisons

[2] *Dean, J., Managerial Economics, p.368New Jersey: Prentice Hall, 1951*

published by industry bodies such as the Bombay Textile Industry's Research Association or the Engineering Industry's Association of India, and the research studies published by the Economic Times Research Bureau referred from time to time.

(d) Objective and Task method

Also referred to as the research-objective method, it envisages appropriation of advertising funds on the basis of objectives to be achieved and the tasks involved therein. It means advertising objectives are set for the coming budget period and the cost for achieving these objectives are calculated in detail in terms of the tasks to be performed, the total of which indicates the appropriation level. Precisely this method involves,

(i) defining advertising objectives as far as possible in quantitative terms, for example, increase market share by 10 per cent within the next two years or increase brand recognition from 20 - 30 percent within a six months period;

(ii) outlining and listing tasks to be performed in achieving objectives; and

(iii) estimating, the cost of performing these tasks.

Today we see that companies are spending crores of rupees on advertising campaign. No doubt growing competition is a big motivator. Besides that media fragmentation and the rising clutter are the other reasons that lead to the growth of advertising expenditure of companies exponentially over the past couple of years. In most cases, companies tend to err on the side of more, rather than less, while deciding their ad budgets.

Egging them on often are their advertising agencies, that make most of their money from the 15 per cent commission on buying media. Thus, for new branches, agencies often tend to recommend spends for 'brand building' that

verge on the absurd. And for established brands, the formula they often flow is "share of voice" (SOV). Essentially, a brand's share of voice is simply its advertising volume as a percentage of the volume for all brands in the same category.

Advertising budget of selected corporate sector is increasing rapidly. A survey conducted by Advertising & Marketing group during 1999 – 2000 reveals that the total expenditure on Advertising incurred by the leading 172 companies amounting to several crores. The details of expenditure and their rank are given in the following tables:

The following tables give an indication of expenditure incurred by the leading 172 corporate sectors.
Their percentage change in previous year and their business in terms of gross sales [3] during 1999 – 2000.

[3] *Advertising and Marketing 1999 - 2000*

Leading Corporate Sectors and their Budget on Advertising during 1999 – 2000

Year Ending	Company	Ad Spend (Rs. crore)	Change Over Previous Year (%)	Sales (Rs. crore)	Ad Spend/Sales (%)	
					1999–2000	1998–99
Dec 1999	Hindustan Lever	715.40	6.94	10,978.31	6.52	6.52
Mar 2000	Colgate-Palmolive (India)	193.98	19.28	1,123.53	17.27	16.27
Mar 2000	ITC	185.09	-8.03	7,971.94	2.32	2.65
Mar 2000	Dabur India	120.02	5.17	1,046.28	11.47	12.43
Dec 1999	Nestle India	113.09	4.22	1,546.43	7.31	6.78
Mar 2000	McDowell & Co.	108.94	26.60	1,093.97	9.96	9.44
Mar 2000	Bajaj Auto	90.24	50.32	3,769.59	2.39	1.67
Mar 2000	Godfrey Phillips India	85.15	30.94	1,082.63	7.87	6.21
Mar 2000	Britannia Industries	77.01	31.87	1,169.84	6.58	5.67
Mar 2000	Tata Tea	68.19	-7.19	913.39	7.47	8.39
Mar 2000	Larsen & Toubro	64.98	10.17	7,438.23	0.87	0.80
Mar 2000	Marico Industries	58.68	50.65	649.05	9.04	7.05
Dec 1999	Cadbury India	52.12	32.25	511.08	10.20	9.20
Mar 2000	Tata Engineering & Locomotive Co.	48.72	35.52	8,718.25	0.56	0.56
Dec 1999	Johnson & Johnson	48.70	8.68	639.06	7.62	7.34
Mar 2000	Raymond	46.90	28.21	1,686.08	2.78	2.28
Mar 2000	Hero Honda Motors	46.81	79.97	2,398.93	1.95	1.69
Dec 1999	Castrol India	46.74	16.04	1,203.75	3.88	3.70
Mar 2000	Nirma Consumer Care	41.80	9.28	1,548.23	2.70	2.70
Mar 2000	Titan Industries	41.69	52.38	632.23	6.59	5.66
Mar 2000	Grasim Industries	41.68	60.00	4,998.59	0.83	0.60
Mar 2000	Reliance Industries	41.16	33.20	20,301.39	0.20	0.21
Dec 1999	Ranbaxy Laboratories	40.93	80.79	1,887.43	2.17	1.33
Dec 1999	Phillips India	39.27	-3.32	1,761.65	2.23	2.38
Dec 1999	Smithkline Beecham Con Health	38.71	9.10	743.38	5.21	5.35
Mar 2000	Godrej Soaps	37.54	8.43	714.74	5.25	3.85
Dec 1999	Indexport	37.49	-13.97	249.83	15.01	19.74
Dec 1999	Whirlpool Of India	36.80	-13.47	995.17	3.70	5.01

Year Ending	Company	Ad Spend (Rs. crore)	Change Over Previous Year (%)	Sales (Rs. crore)	Ad Spend/Sales (%)	
					1999-2000	1998-99
Mar 2000	Indo National	8.22	63.10	262.23	3.13	2.19
Mar 2000	Orient Paper & Inds.	8.10	18.94	586.79	1.38	1.10
Mar 2000	Imex Watches	7.97	22.99	90.48	8.81	9.74
Dec 1999	Knoll Pharmaceuticals	7.94	76.84	329.95	2.41	1.50
Mar 2000	Honda Siel Power Products	7.88	-0.63	176.90	4.45	4.53
Dec 1999	Radico Khaitan	7.81	147.15	230.89	3.38	1.49
Mar 2000	Finolex Cables	7.58	164.11	541.81	1.40	0.68
Mar 2000	Bausch & Lomb India	7.34	5.16	75.00	9.79	7.73
Dec 1999	Glaxo India	7.04	7.98	967.16	0.73	0.75
Dec 1999	Goodyear India	6.88	0.73	673.83	1.02	1.25
Mar 2000	American Remedies	6.84	21.71	94.30	7.25	6.11
Mar 2000	Tata Donnelley	6.82	4.44	99.54	6.85	7.64
Mar 2000	Voltas	6.77	-30.06	827.29	0.82	0.98
Dec 1999	Aptech	6.48	23.90	366.52	1.77	1.88
Mar 2000	Punjab Tractors	6.41	20.72	1,197.86	0.54	0.48
Mar 2000	United Phosphorus	6.35	15.04	549.40	1.16	1.03
Mar 2000	Parry's Confectionery	6.34	9.50	94.04	6.74	4.16
Mar 2000	Indian Rayon & Inds.	6.27	126.35	1,186.95	0.53	0.19
Mar 2000	Tata Coffee	6.19	-37.09	215.68	2.87	8.86
Mar 2000	JB Chemicals & Pharmaceuticals	6.17	86.40	177.36	3.48	2.14
Mar 2000	VIP Industries	5.69	238.69	285.02	2.00	0.64
Mar 2000	ITC Hotels	5.50	-8.18	129.71	4.24	4.97
Dec 1999	E Merck (India)	5.17	12.39	279.80	1.85	1.76
Dec 2000	Thomas Cook (India)	4.90	18.64	70.80	6.92	5.72
Mar 2000	Binani Cement	4.81	1.91	334.75	1.44	1.91
Mar 2000	Ipca Laboratories	4.73	31.02	372.34	1.27	1.05
Mar 2000	JL Morison (India)	4.62	69.2	41.00	11.27	8.80
Mar 2000	Archies Greetings & Gifts	4.44	10.17	71.51	6.21	6.69
Mar 2000	Nicholas Piramal India	4.44	-29.75	489.71	0.91	1.43
Mar 2000	Salora International	4.30	14.36	204.47	2.10	2.05
Mar 2000	JK Helene Curtis	4.24	34.18	46.13	9.19	7.15
Mar 2000	Mayfair	4.24	76.67	38.41	11.04	7.17
Mar 2000	Amtres Hitachi Appliances	4.19	97.64	181.24	2.31	1.55
Mar 2000	Hallmark Tobacco Co.	4.09	26.63	219.97	1.86	1.62
Dec 1999	Lever India Exports	4.09	770.21	54.39	7.52	1.24
Mar 2000	ICI India	4.03	-29.79	950.98	0.42	0.64

Year Ending	Company	Ad Spend (Rs. crore)	Change Over Previous Year (%)	Sales (Rs. crore)	Ad Spend/Sales (%)	
					1999-2000	1998-99
Mar 2000	Madras Cements	14.19	-1.66	517.94	2.74	2.76
Mar 2000	Kalyani Sharp India	14.13	9.96	333.79	4.23	4.44
Mar 2000	Eureka Forbes	13.86	75.67	303.89	4.56	3.05
Mar 2000	Gramophone Co. Of India	13.66	20.25	140.65	9.71	9.55
Dec 1999	Aventis Crop Science India	13.35	126.27	342.80	3.89	2.10
Mar 2000	Associated Cement Cos.	13.22	-8.24	2,768.73	0.48	0.55
Mar 2000	Bajaj Electricals	12.82	9.29	349.12	3.67	3.47
Mar 2000	Escotel Mobile Communications	12.07	32.64	111.94	10.78	12.21
Nov 1999	Pfizer	12.06	60.80	330.45	3.65	2.84
Dec 1999	Lipton India Exports	11.92	-45.32	415.19	2.87	4.34
Mar 2000	Goodlass Nerolac Paints	11.66	-1.77	629.23	1.85	2.17
Mar 2000	Zee Telefilms	11.55	466.18	476.11	2.43	0.90
Dec 1999	Bata India	11.53	-7.17	773.64	1.49	1.67
Dec 1999	Kodak India	11.48	5.61	590.54	1.94	2.17
Mar 2000	Exide Industries	11.25	39.23	941.15	1.20	0.99
Mar 2000	J.K. (Bombay)	10.71	90.67	113.83	9.41	6.53
Mar 2000	Carrier Aircon	10.57	123.47	386.29	2.74	1.17
Mar 2000	Lakhanpal National	10.11	13.72	192.98	5.24	4.86
Mar 2000	Escorts	10.01	22.59	1,455.25	0.69	0.67
Dec 1999	Smithkline Beecham Pharma (India)	10.04	51.20	340.80	2.95	2.09
Mar 2000	Crompton Greaves	9.06	43.58	1,665.06	0.54	0.38
Mar 2000	Bombay Dyeing & Mfg. Co.	8.87	-0.45	969.67	0.91	1.02
Dec 1999	Alembic	8.70	8.21	391.79	2.22	2.15
Mar 2000	Hawkins Cookers	8.69	-5.23	123.92	7.01	8.07
Mar 2000	EIH	8.50	2.99	422.94	2.03	1.69
Mar 2000	Bombay Chemicals	8.27	41.161	48.75	16.96	15.18

Year Ending	Company	Ad Spend (Rs. crore)	Change Over Previous Year (%)	Sales (Rs. crore)	Ad Spend/Sales (%)	
					1999-2000	1998-99
Mar 2000	Gujarat State Fertilizers & Chemicals	4.02	-1.71	2,113.56	0.19	0.20
Mar 2000	Trent	4.01	192.70	33.60	11.93	10.29
Mar 2000	Rallis India	4.01	-12.83	1,442.45	0.28	0.36
Mar 2000	Singer India	3.99	-8.28	133.53	2.99	4.26
Mar 2000	Rhone-Poulenc (India)	3.94	9.14	237.19	1.66	1.70
Mar 2000	Fascel	3.92	51.94	92.36	4.24	5.63
Mar 2000	Eicher Motors	3.85	30.95	356.55	1.08	1.09
Mar 2000	VST Industries	3.85	7.84	746.38	0.52	0.51
Dec 1999	Hind Lever Chemicals	3.78	15.89	1,481.47	0.26	0.16
Mar 2000	Blue Star	3.74	4.10	474.98	0.79	0.83
Mar 2000	Camlin	3.72	13.29	160.87	2.31	2.95
Mar 2000	Birla Corporation	3.63	-5.96	1,028.71	0.35	0.43
Mar 2000	F D C	3.63	13.08	147.69	2.46	2.27
Mar 2000	Maharashtra Scooters	3.53	69.71	311.15	1.13	0.67
Mar 2000	P I Industries	3.51	29.00	179.46	1.96	1.53
Dec 1999	Aviance	3.48	-	5.82	59.79	-
Dec 1999	Infar (India)	3.45	19.79	146.51	2.35	2.27
Dec 1999	Birla 3M	3.40	21.00	154.69	2.2	2.23
Mar 2000	Century Textiles & Inds.	3.32	12.54	2,385.32	0.14	0.14
Mar 2000	Boots Piramal Health care	3.25	51.87	30.22	10.75	2.48
Dec 1999	Burrough Wellcome (India)	3.25	-17.51	200.95	1.62	1.92
Mar 2000	Khaitan Electricals	3.24	9.09	102.66	3.16	2.51
Mar 2000	Pentasoft Technologies	3.23	319.48	404.77	0.80	1.10
Mar 2000	Ion Exchange (India)	3.20	13.07	178.92	1.79	1.67
Mar 2000	Vardhman Spinning & General Mills	3.16	13.26	451.63	0.70	0.66
Mar 2000	Mirza Tanners	3.05	65.76	122.81	2.48	1.81

Year Ending	Company	Ad Spend (Rs. crore)	Change Over Previous Year (%)	Sales (Rs. crore)	Ad Spend/Sales (%)	
					1999-2000	1998-99
Mar 2000	Satyam Computer Services	3.03	274.07	677.07	0.45	0.21
Mar 2000	Lakshmi Machine Works	2.95	126.92	442.33	0.67	0.31
Dec 1999	Rolta India	2.89	95.27	177.53	1.63	1.28
Dec 1999	Jayaswals Neco	2.80	69.70	466.15	0.60	0.41
Mar 2000	Cyanamid Agro	2.79	-10.00	98.15	2.84	2.85
Mar 2000	Birla Yamaha	2.76	-1.43	69.05	4.00	4.04
Mar 2000	TVS Srichakra	2.72	-14.20	160.57	1.69	2.09
Mar 2000	Zenith Computers	2.70	-11.48	221.42	1.22	1.50
Mar 2000	Greaves	2.69	36.55	677.25	0.40	0.29
Mar 2000	Oriental Hotels	2.67	-24.36	81.51	3.28	3.54
Mar 2000	Gulf Oil India	2.65	-56.34	276.98	0.96	2.33
Mar 2000	Vintage Cards & Creations	2.63	55.62	24.76	10.62	8.48
Dec 1999	Rexcel Pharmaceuticals	2.36	28.96	85.71	2.75	1.77
Mar 2000	Bestavision Electronics	2.19	-21.79	62.90	3.48	2.57
Mar 2000	Premier instruments & Controls	2.13	46.90	244.19	0.87	0.86
Mar 2000	Infosys Technologies	2.12	175.32	884.35	0.24	0.15
Mar 2000	Kamat Hotels (India)	2.10	112.12	43.82	4.79	6.20
Mar 2000	Tata Telecom	2.08	-52.73	186.09	1.12	2.43
Mar 2000	Software Technology Group Intl	2.07	66.94	32.78	6.31	6.26
Mar 2000	Mahindra-British Telecom	1.99	155.13	234.12	0.85	0.45
Mar 2000	Wyeth Lederle	1.96	59.35	261.87	0.75	0.48
Mar 2000	E I H Associated Hotels	1.92	-13.90	30.64	6.27	7.10
Mar 2000	Kalyani Brakes	1.86	50.00	163.02	1.22	1.11
Mar 2000	Madhusudan Industries	1.84	201.64	134.13	1.37	0.35
Mar 2000	Manugraph Industries	1.81	56.03	121.77	1.49	1.21

Year Ending	Company	Ad Spend (Rs. crore)	Change Over Previous Year (%)	Sales (Rs. crore)	Ad Spend/Sales (%)	
					1999-2000	1998-99
Mar 2000	Ajanta Pharma	1.79	5.29	159.70	1.12	1.22
Mar 2000	Adani Exports	1.77	78.79	2,814.30	0.06	0.05
Mar 2000	Govind Rubber	1.77	-32.95	294.94	0.60	0.90
Dec 1999	Solus Pharmaceuticals	1.68	22.63	35.63	4.72	4.33
Mar 2000	Morepen Laboratories	1.66	418.75	326.54	0.51	0.13
Dec 1999	Goodricke Group	1.65	20.44	177.51	0.93	0.74
Mar 2000	Mahavir Spinning Mills	1.56	28.93	773.06	0.20	0.19
Mar 2000	B P L Sanyo Technologies	1.55	-34.32	82.52	1.88	1.61
Dec 1999	Etemit Everest	1.52	-11.76	149.37	1.02	0.93
Mar 2000	V S T Tillers Tractors	1.50	-16.67	79.13	1.90	2.60
Mar 2000	Advani-Oerlikon	1.40	-48.53	184.03	0.76	1.25
Mar 2000	Dhanuka Pesticides	1.40	-55.13	34.92	4.01	9.17
Mar 2000	Ramco Industries	1.40	-32.37	181.01	0.77	0.92
Mar 2000	Thermax	1.40	-4.11	412.84	0.34	0.31
Mar 2000	Gabriel India	1.36	-6.85	245.71	0.55	0.70
Mar 2000	O C L India	1.33	10.83	318.92	0.42	0.46
Mar 2000	Digital Equipment (India)	1.27	-59.55	82.33	1.54	0.90
Mar 2000	Priyadarshini Cement	1.26	-53.16	222.70	0.57	1.62
Dec 1999	Oils Elevator Co (India)	1.22	79.41	295.10	0.41	0.27
Mar 2000	Max India	1.21	611.76	112.33	1.08	0.18
Mar 2000	Clariant (India)	1.20	42.86	258.47	0.48	0.35
Mar 2000	Godavari Fertilisers & Chemicals	1.13	15.31	1,045.25	0.11	0.11
Mar 2000	Abbott Laboratories (India)	1.11	31.06	113.70	0.98	1.58
Mar 2000	Indiacom Directories	1.08	23.75	19.02	5.68	2.60
Dec 1999	Pedder & Pedder Tiles	1.08	63.64	55.34	1.95	1.18

Year Ending	*Company*	*Ad Spend (Rs. crore)*	*Change Over Previous Year (%)*	*Sales (Rs. crore)*	*Ad Spend/Sales (%)*	
					1999–2000	*1998–99*
Dec 1999	Maars Software International	1.07	15.476	63.13	1.69	1.20
Mar 2000	Rane Brake Lining	1.04	96.23	100.21	1.04	0.62
Dec 1999	SQL Star International	1.03	63.49	33.34	3.09	2.48
Mar 2000	Dabur Foods	1.02	—	27.67	3.69	—
Mar 2000	Elgi Equipments	1.01	55.38	154.23	0.65	0.43
Mar 2000	Pentamedia Graphics	0.99	-10.81	392.99	0.25	0.21
Mar 2000	Dr. Reddy's Laboratories	0.98	88.46	493.02	0.20	0.12

Table: 3.1

3. Advertising Organisations

After establishing Advertising Objectives and finalizing the Ad budget the next managerial task is to organise resources and activities so as to plan and execute the advertising campaigns. There are broadly four organizational arrangements that may be acceptable to the corporate sector

a) Organising a separate advertising department with full complement of people to carry out the whole advertising task or

b) Separate advertising department may be organised but the tasks may be managed by the marketing or the sales executive with the assistance of advertising manpower available, or

c) The entire advertising task may be entrusted to an outside advertising agency except the policy and strategy formulation which may be handled by the marketing or other executive, or

d) The advertising task may be divided between the internal department and an outside advertising agency.

a. Organisational Status

The organisational placement of advertising in the overall corporate structure depends on a variety of factors. These include, for example the size of the firm, the number of divisions and products, the importance of advertising to the firm, the availability of advertising funds, the advertising mission, the personal involvement of top management in the advertising function, and framework of the company's total organisation structure.

Nevertheless, under the modem concept of marketing its proper place is in the marketing department under which all other marketing functions are integrated to produce maximum market impact. In the marketing department, advertising forms a part of the marketing services and. plays a staff role. It formulates the advertising policy, strategy and programme so as to render communication assistance to the line functionaries.

Courtesy: Advertising & Management, Oct. 2000)

Data includes expenses on advertising and sales promotion. All incurred on promotion of goods and services are included. Expense item such as advertising expenses, exhibition expenses, free samples, sales promotion expenses form part of this accounting period.

b. Organizational Size

The size of the advertising department within the marketing organisation is normally indicate by the strength of its manpower and physical facilities. In a company, it is usually determine by factors such as available resources, size of its marketing department, availability' of talented manpower and physical facilities, and availability of advertising agencies with acceptable quality. As such, the size of the advertising department in a company would be large, where management wishes to execute the whole advertising task by itseif, succeeds in identifying locating, and employing required manpower, services of advertising agencies are not available, physical facilities for advertising

production may be easily procured, and has no significant resources constraints. If not, the size will be modest and relatively smaller. In such a situation, the management may supplement its own available resources by engaging an advertising agency who may be provided policy and strategy inputs and asked to formulate and execute advertising campaign(s). Therefore, what is relevant for a company is not the size of its advertising department but the execution of its communication programme, may be, through an advertising agency.

c. Organizational Structure

When a company decides to organize its own advertising department, it may assume different forms depending on its marketing and advertising needs. In a multi-brand and multi-division company, the advertising' department may be decentralized. Otherwise there may be only a centralized advertising department serving marketing and corporate needs.

d. Advertising Agency

When a company intend to organise a separate advertising department, or, 'organise it on a small scale with a skeleton; staff, or when otherwise deems appropriate it may opt to assign its advertising job to an outside professional advertising agency. An advertising agency is "an independent business organisation composed of creative and business people who develop, prepare, and place advertising in advertising media for sellers seeking to find customers for their goods and services"[4] Such an agency renders a variety of advertising and marketing services to a company. On behalf of its client-companies, it studies company's products, sales patterns, distribution system and consumers and in this background prepares plans for advertising campaigns. It then executes these plans by preparing an advertisement copy and layout, selects media, buys space/time, and evaluates the advertising results. A company benefits enormously by the quality of these services which are an amalgam of rich expertise, varied experience and

[4] *American Association of Advertising Agencies, Inc. Source: Dirksen, C. J., A. Kroeger, and F.M. Nicosia, Advertising Principles, Problems, and cases, III.: Richard D. Irwin 1977, pp.648*

objective and professional attitude. The kind and quality of services rendered sometimes far outweigh the cost involved.

Advertising Organization

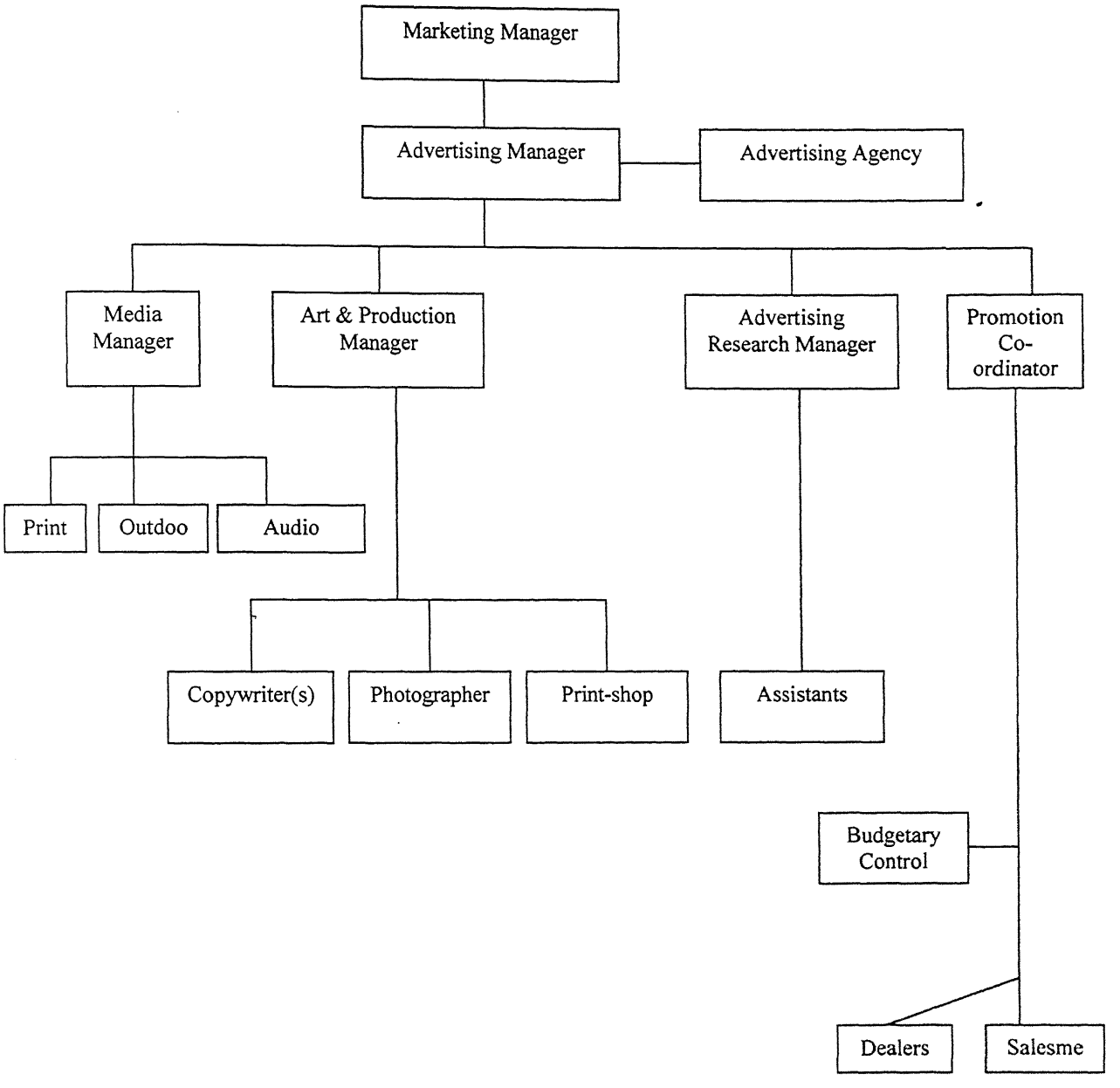


Fig: 3.1

While making the choice of an agency, a corporate sector should first develop a job description and then look for an agency whose talent,

experience, and record match it closely. In this connection the following six specific criteria suggested by Hanan may be helpful. [5]

- ➔ Are the agency candidates truly available to the advertiser, representative of a broad spectrum of agency service, and compatible with the advertiser's philosophy?

- ➔ Are the agency accounts, teams creative, catalytic among themselves, and conscientious?

- ➔ Are the agency performance records successful, planned in advance, and well researched?

- ➔ Are the agency's client relationships standardised, codified, and vigòrously adhere to

- ➔ Are the agency investments required to the advertiser affordable by him, yet adequate and motivational to the agency. Is the agency partnership likely to be permanent, responsible, and responsive over time?

To get best out of an agency, the following guidelines may be considered. [6]

- ➲ Wish prosperity .for the agency as you would for yourself.

- ➲ Give your agency a product with a difference—advertising is no substitute of a good and acceptable product.

- ➲ Do your product planning in league with your agency ?

- ➲ Give, your agency a detailed brief and start from an agreed creative strategy preferably put in writing. "The best man from the advertiser's side should be asked to brief the creative team of the agency concerned. Senior people should be present at these briefing sessions."[7]

[5] *Hanan, M., "Criteria for Advertising Agency Selection", in:' V. P. Buell (ed.), Handbok of Modern Marketing, pp 13-25 McGraw Hill 1970, New York*

[6] *Sen Gupta, S. "How to Get the Best from your Advertising Agency". , pp-46 Promotion, Dec. 1977*

[7] *Gupta, T., "Six hurdles to creativity in Advertising", Glaxo Marketing Journal, p 32. Vol. 1 No. 1*

- Develop amongst executives the skill to judge creativity. The client cannot get the best out of his agency unless the decision-makers at the senior-most marketing level make a conscious effort. To develop this skill-part intuitive part; analytical—of evaluating the persuasive power of a given piece of advertising.

- Reduce the level of Creative Approval.

The Glaxo marketing people have found a compromise- formula: which, according to Gupta [8] works quite well. "The Product Management Team works closely with the agency, and when advertisements are put up for final approval, it becomes a joint presentation which has already been agreed to in principle by the Product Management Team.

Thus is avoided the temptation of trying to prove oneself cleverer than the advertising agency by finding fault with the proposed campaign."

4. Media Planning and Selection

The next important managerial task involves planning and selection of appropriate advertising media. Advertising media are vehicles or channels through which advertising messages are transmitted to target consumers so that the desired action may be induced at the consumer level.

The need for planning and proper selection of advertising media arises so as to ensure that the advertising messages reach the target consumers and that their cost conform to the resources' constraints. Since the very purpose of advertising is to induce desired action at the consumer level, when the medium carrying the messages misses its target consumers, the cost and effort involved in it are a total waste.

Similarly, the cost of using a medium should be within the limits of resources appropriation because these are never so plentiful as to make every

[8] *Op. cit., p. 33*

medium that the business comes across affordable to it: there are always cost limits to media choices. The managerial task of media planning and selection comprises media identification, identifying factors governing media choices, laying down criteria for media selection and evaluating each media against them, developing media-mix and resource allocation, and media scheduling.

These are discussed hereunder.

The first major managerial task in media planning and selection is to identify the kind of media that may be suitable to a company. It involves scanning the media market and gathering relevant information to serve as input for decision-making. The following major advertising media are available to a company in one.

- ***Country Press:*** Also referred to as 'print', press as an advertising medium comprises all those vehicles owned by others and which can carry the advertising message in print to be read by target consumers. It includes daily newspapers and periodicals—both general and specialised. In India, this medium is very commonly used by companies and account for nearly 80 per cent of the expenditure on advertising media

- ***Cinema:*** Cinema is an audio-visual medium of communication and offers opportunities to advertiser to screen commercial films and slides produced by them. Cinema provides enough opportunities to maximize impact by audio-visuals. Sight, sound, colour, and action have a deep impact on audience normally not attained in any other media except television. In cinema advertising, the audience is not left loose; it is sure to see the commercial. This medium also offers selectivity and flexibility.

 In our country, cinema has practically reached all the district headquarters and mobile cinema has reached tehsil headquarters. Besides, Mumbai has become the hub of advertising films and slides

production. With all these, cinema as an advertising medium holds great opportunities for particularly those companies who are poised to penetrate the rural market. It is particularly relevant for advertising consumer products and farm inputs.

- ***Television:*** Television as a communication medium is only of recent origin in India and is known by the name of 'Doordarshan.' It is state controlled. The first television centre was set up in Delhi in 1959. Commercial advertising on television was introduced on Jan. 1, 1976 on the pattern of All India Radio. Thus, as an advertising medium, television is a latecomer in India. It holds great promise despite its heavy cost and failings of any audio-visual medium of advertising. Television makes full use of sight, sound and motion and thereby maximizes impact on audience. On colour TVs, now colour may also be used to add to the impact. Like radio, it also offers both selectivity and flexibility in programme timings, themes, and choice of geographic areas. Although right now it is in its nascent stage, it is the promising advertising medium of tomorrow.

- ***Outdoor Advertising:*** Outdoor Advertising consists of posters and displays—painted, printed and electric. Among these, poster is relatively more commonly used which lends itself to be put on a wall or hoarding. The medium used in the outdoor category may include streamers, crowners, dispensers, transfers, stickers or hangers. Neon signs and other such electric displays are also frequently used by companies.

 It is a medium which offers considerable selectivity and flexibility in terms of market coverage and appeals to suit the unique marketing needs of a company in a given situation. It goes very well with a company's market segmentation - strategy. Where a brief selling statement is to be conveyed it lends itself to a nice use. However, considerable waste circulation occurs when the product advertised does not have a mass market while the cost is relatively low in reaching an individual prospect, the total cost of a national campaign may be quite high. In this medium,

the message has to be limited owing to its size constraint. Besides, there is usually a cost escalation on account of the short life of this medium.

- ***Folk Media:*** In the Indian Market, with all its peculiarities stemming from the variety of castes, religions, languages, social customs, and geographic differences and cultural ethos folk-media provide an excellent way of transmitting advertising messages. These include fairs, magic shows, puppet shows, mobile or stationary theater groups, etc. which are a part of the national life, particularly in rural market.

- ***Fairs:*** Fairs are periodic congregation of people at a place to celebrate an occasion, may be social, religious or cultural, where goods and services are purchased and sold. However while using this medium the product range offered / advertised will have to be narrow and with low unit value since these fairs are largely attended by people with modest income levels.

- ***Direct Mail Advertising:*** It is an advertising medium wherein the advertiser sends advertising messages direct to target consumers by mail. Whenever, mailing is avoided in favour of personal 'distribution it assumes the form of simple direct advertising. The message may be mailed in a variety of forms, say, letters, circulars, catalogues, folders, brochures, etc. which may be informative, persuasive, reminding or utility-oriented. However, identification of prospects and preparation of the- mailing list are the jobs on which its success or failure depends. Although it is a relatively expensive medium, particularly when the mailing list is long, it offers some distinct advantages. When the' mailing list is effective, there is minimum of waste circulation. The prospect may be approached direct within a short time. It is obscure from the competitors' sights and. may easily escape counter-competitive action. It is the most selective and flexible medium and offers opportunities for keying and evaluation.

Factors Determining Media Choice? From the foregoing it is evident that there are a number of media choices available to a company in India. However the real managerial task is to identify from among them the one(s) which is relevant for the company.

- ***Product:*** The nature of product determines the choice of the advertising medium. Cinema, television and colour periodicals would be the obvious choice for products such as fabrics and toilet preparations requiring visual presentation. But for other product this may not be very suitable. Thus while making media decisions, management should develop a product-media match.

- ***Market:*** While selecting advertising media, the company's market requirements should be considered. When they meet these requirements, they lend themselves to good use.

- ***Distribution Strategy***: The advertising media should be compatible with the distribution strategy adopted by the company.

- ***Advertising Objectives:*** The advertising objective determine the type of media to be selected.

- ***Advertising message and Appeals:*** the nature of advertising media and appeal determines the advertising media for a company.

- ***Budget:*** there can be no proper media selection unless the resource constraint is taken into account. Management of a company cannot be obvious of the fact that advertising appropriation is always given and all media choices have to be within its limits.

- ***Media availability:*** The question of media availability is quite relevant while considering media alternatives because not all media are available to a company whenever required.

5. Developing Media Mix

Development of media mix is a problem in determining the optimum allocation of a company's advertising budget. The budget should be so distributed among different media choices that the marginal returns from each type are all equal.

This marginal concept in media-mix development may be explained by following three steps:

(1) Media-wise expenditure date

(2) Analysis of data, so as to obtain reasonably accurate representations of the net returns for each type of medium, and

(3) Successive adjustment of budget allocation to different media.[9]

A media schedule is a time bound detail of advertisements with reference to the media chosen. It reflects the total audience coverage, the frequency with which the target consumers view the advertising message, and the continuity or the period of time over which an opportunity for exposure is available. All these factors are interrelated and are to be considered and weighed while developing the media schedule. In order to assist executives, some theories of media scheduling have been developed.

6. Evaluation of Media Mix

After the identification of the relevant advertising media for a company the next managerial task is to evaluate each media vehicle so that the vehicle choice is suitable.
Media evaluation has to be processed with the following considerations:

[9] *Adler, L., "How Marketing Management Can Make Sounder Media Decisions", in: W. Dolva (ed.), Marketing Keys to Profits in the 1960's, p. 155Chicago: American Marketing Association, 1960.*

☞ ***Coverage:*** coverage as an evaluation criterion refers to the number or spread of message outlets provided by the media vehicle. When the vehicle provides larger coverage, chances of message exposure to consumers is also greater. Thus, a vehicle providing larger coverage should be more acceptable. In case of press, the coverage refers to circulation whereas in the case of radio and television it refers to the number of broadcast / telecast receiving sets (radios and TVs). In case of cinema, it refers to the number of cinema houses, both stationary and mobile.

☞ ***Reach:*** Reach is an evaluation criterion refers to the vehicle's access to different homes or individuals over a given period of time. In case of press it is indicated by readership.

☞ ***Consumer Confidence:*** Consumer Confidence refers to the credibility of media in the mind of target consumers. It is a relevant criterion for evaluating a vehicle since the credibility of advertising message is positively related to the media vehicle's credibility.

In India, newspapers and magazines are considered to be the most credible of all media, scoring high on usefulness and information. While cinema advertisements are found to be the most entertaining, the unrealistic situations presented result in these commercials being the least credible. Commercials over TV and radio are found to be the most annoying, primarily due to clutter. Outdoor and in-shop advertisements received the highest score on misleading' [10]

☞ ***Cost:*** Cost is one criterion against which each vehicle choice should be evaluated. In order to make a decision, the marketing executive should make out an inter vehicle cost comparison. In the case of press, the rates are quoted by newspapers and magazines in terms of column centimeters and page respectively, while in the case of radio and TV the rates are quoted in terms of time consumed.

[10] ***Ogilvy, Benson and Mather (P) Ltd, "Attitudes to Advertising", Promotion, April-May 1979, P-1.***

Since these rates vary from media to media and defy inter-vehicle cost comparison, these are brought to a uniform basis so as to facilitate this comparison.

7. Advertising Message Copy And Layout

While engaged in media planning and selection, the management has also to be concerned with the advertising message formulation. In fact both have to synchronize so that the company gains strategic advantages. The advertising message formulation involves designing of the advertising copy and structuring of the advertisement layout so that the company's Unique selling proposition (USP) may be effectively presented before the target audience for appropriate product propositioning. In relation to the advertising message, therefore, four points deserve mention in this text, namely, product positioning, unique selling proposition, advertising copy and layout.

- ***Product Positioning***

It refers to the placement of a company's product(s) in the minds of target consumers relative to competitive products, as having certain distinctive benefits and satisfaction potential.

Advertising is an instrument of positioning and repositioning a product(s) in the minds of consumers by focusing their attention on Unique Selling Price (USP) being conveyed through the message. This rationale of employing advertising in product positioning is to bring into focus, through appropriate copy and layout, certain product attributes while sidetracking others in order to induce consumers to act in a desired way.

- ***Advertising Copy***

An advertising copy may be defined as all the written - or spoken matter in an advertisement including words, sentences and figures aimed at conveying some desired message to target-consumers. Thus, an advertising copy speaks out to the target consumers in an impersonal way through audio-visual

media, what an advertiser is unable to do personally. In order to transmit the message, an advertiser may choose different kinds of advertising copies depending on the market requirement.

The *factual* advertising copy factually interprets the reward potential of a product. An emotional advertising copy emphasizes human interest and stresses consumer satisfaction rather than product advantages. It plays upon a variety of consumer motives so as to induce an action. The descriptive copy describes a product and its distinctive features in some detail so as to inform consumers.

The narrative copy employs the technique of story telling by relating it to the product use. It usually highlights a consumer predicament, discovers a solution, resolves the predicament and then suggests the product use. The humorous copy uses wit to convey the message, while the testimonial copy carries a suggestion/advice from somebody considered important to the consumers.

- ***Advertising Layout***

Advertising layout is a working drawing or blueprint for an advertisement. It is a plan showing the sizes, positions and colour weight values of the different units that make up the completed advertisement. Thus, the visual composition, of an advertisement, the arrangement of illustration, headline, body copy and logotype into a unified message maybe referred to as advertising .layout. It's structuring follows a logical progression which starts with 'visualization'—formation of a menial image of advertisement, 'thumbnail sketch', a 'rough' presenting more detail and visual, a 'comprehensive' resembling the final advertisement, and a 'mechanical or paste-up' containing all elements of the layout pasted in a precise position.

Such layout performs the following functions:

- It enables the advertiser to visualize in detail exactly how the completed

advertisement will look when published.

- ❖ It gives the printer a picture of the completed advertisement and helps him to develop adequate parts and facilities for printing.

- ❖ The presentation of alternative layouts help executive in choosing the one that impresses the most.

8. Coordination

The effectiveness and success of any advertising management in a company also depends on the on the way it is co-ordinated with other relevant business activities and filled into the overall marketing strategy. "An able management has 'to proceed no the basis that advertising is inextricably intertwined with all of the other elements of the business and marketing operation and that its decisions regarding advertising must be made in the light of a thorough understanding of those other elements and of the business merchandising and selling strategies to which it is committing the resources of the firm for the longer term.

The management should make the honest effort to have the co-ordination in respect of the following:

Advertising Agency: When a company chooses to engage an advertising agency it also chooses to assign to it some of the major advertising tasks such as media planning and selection, designing of advertising copy and structuring of layout. Besides adequate briefing to agency people, the effective communication job in such a case/also requires a harmonious working relationship with these people, which a company has to seek by deliberate attempts at co-ordination; it seldom comes about by chance.

It requires an integration of company needs with agency resources so that advertising and marketing objectives do not get sacrificed at the alter of artwork and aesthetics.

Product Planning: There should be close coordination between advertising and product planning so that the product attributes may be adequately highlighted in the advertising copy and the message conforms to the contents of the package. The credibility of the advertisement largely hinges on the consumer experience with the product. Any contradiction between the claim made in the copy and the experience derived often shatters the consumer confidence.

Personal Selling: Advertising should also be dovetailed with personal selling as, along with sales promotion, it composes the communication-mix of a company. Sales force of the company should be adequately briefed about the components of the advertising campaign—media, copy, USP, layout and media schedule—so that it can capitalise on them during product presentation and consumer persuasion. Media scheduling should be such that advertisement insertion is timed to precede sales force's contact with the prospect so that the latter is favourably predisposed to receive the former. Such a co-ordination maximises total market impact of the communication-mix.

Sales Promotion: Also being a component of company's communication-mix, like personal selling, there should be close co-ordination between the advertising programme and the sales promotion campaigns. The particular areas of co-ordination include dovetailing the message content and timing of campaign launching so that sales promotion and advertising supplement each other and their gains are maximum.

Distribution: The advertising programme should be integrated with the distribution strategy of the company in such a manner that consumer satisfaction is maximised. Having moved to the market by advertising, favourably predisposed toward company and its product, consumer should find products available for purchase. This would require proper synchronisation of the timing of the advertisement appearance and the product distribution.

How to Co-ordinate: ln order to have co-ordination in the areas mentioned above, the marketing organization developed in the context of the modern marketing concept proves considerably helpful because all marketing functions are integrated under one marketing department. Nonetheless, co-ordination has to be a deliberate exercise; it cannot be left to chance. For this purpose, formal and informal means of communication like meetings, memoranda, reports, and interaction among different people may be used, besides developing an appropriate marketing information system. [11]

9. Evaluation of Advertising Performance

Evaluation of advertising performance refers the managerial exercise aimed at advertising results to the established standards or performance and objectives so as to assess the effectiveness of advertising performance. [12]

Why Advertising Evaluation?

The need for evaluating effectiveness of advertising arises for a number of reasons some include the following:

It is necessary to have some measure of the impact of advertising on sales so the size of succeeding advertising appropriations may be intelligently determined. It is also necessary to have some measure of the impact of alternative media, copy, layout and media schedules as to sharpen management understanding about them for future improved decisions.

On account of the dynamic nature of market, it is necessary to identify and isolate the effect of different components of the marketing-mix so as to ascertain the relative contribution of each against the targeted contribution.

[11] ***Gandhi J. C., Marketing A Managerial Introduction, pp 339-340, Tata McGraw Hills Publishing Co. New Delhi 1998,***

[12] ***Dirksen C. J., A. Kroeger and F. M. Nicosia, Advertising Principles, Problems and Cases III.: Richard D. Irwin, 1977, ch. 15***

How to evaluate?

There are broadly two measures, sales response and communication response by which it can be evaluated.

i.Sales Response: It refers to the amount of sale which may be attributed to the advertising input.

ii.Communication Response: The theory behind evaluating the communications effect is that the advertisement that effectively communicates also generates sales and induces other desired action at consumer levels. Therefore, communication, effect indirectly indicates sales effect. The communication response is usually measured in terms of advertising's influence on consumers' knowledge, beliefs, and convictions as indicated by readership/listener ship, memory and attitudes. "Many advertisers feel that the links between sales and advertising are too tenuous, complicated, and long term to permit measuring the direct impact. They feel instead that the more short-term communication effects of given advertisements should be measured." [13]

According to a study, the "behavioural and attitude and opinion measures, as predictors of future sales behaviour, are the best measures of the sales effectiveness of an individual advertisement. [14]

The task of evaluating communication effect is usually divided into two parts namely, pre-testing and post-testing. Pre-testing is concerned with assessing communication effectiveness of an advertisement before its presentation to target consumers while post-testing is concerned with assessing effectiveness after its presentation to target consumers. It is with the post-testing that we are concerned here.

[13] *Kptler P., Marketing Management P. 697*

[14] *Adler, L.A., Greenberg and d.B. Lucas, "What Big Agency Men Think of Copy Testing Methods". Journal of Marketing Research, Nov. 2 1965, pp 339 – 345 Source: D. Cohen, advertising, p 626.New York: John Wiley & sons, 1972*

CHAPTER – 4
Corporate Advertising: Indian Scenario

Chapter-4

CORPORATE ADVERTISING: INDIAN SCENARIO

In the process of developing advertising programmes, corporate sectors adopt their own techniques and services. Many companies have their own active advertising department, which develop the ad message and select the proper media for its execution. Other there are full service advertising agencies which develop the entire advertising programme from the conception of idea to the evaluation of the message effects, in consultation and co- operation with the advertisers.

There are special service groups which operate as consultants and who aid either the advertiser, the agency or the media in the development of ads. ***"An ad agency is an independent company setup to render specialised services in advertising in particular and in marketing in general".***

In the middle of 20th century ad agencies started as space brokers for handling of the advertisements placed in the Newspapers. Through the years, however, the functions of agency have changed. Their main job today is not to aid media but to serve advertisers.

When a Company has decided upon an advertising programme as part of its over all promotion mix, it needs to have a system and organisation to implement it for the attainment of the desired objective. Companies do have an advertising department to manage the advertising function. In some small firms, there may not be a separate department in the name of advertising but the function is either looked after by the marketing manager or the chief executive.

The company's advertising department usually relies on out side experts after the advertising agency, which prepares the advertisement messages, selects appropriate media, and arranges to release them. The advertising department of a company has only a limited creative function, primarily a liaison point in the company for the agency, though it is responsible for the advertisement budget and supervises the performance of the agency.

An advertising manager has to co-ordinate with the marketing and sales function, so that the advertising efforts may be fully integrated with the firm's marketing and sales strategy. He has also to perform the managerial task of formulating advertising strategy and planning an advertising programme. The execution of such programme is managed by this department through the advertising agency. The agency often assists the advertising manager in programme formulation.

The advertising agency is a group of specialists in the area of advertising who meet the client's needs for advertising services. The agency is predominantly communication oriented, though it solves several problems of marketing and advertising as well. It is a sort of an organisation. There are several advertising agencies in India and abroad, which take important decisions on advertising and marketing. They suggest suitable measures popularising the products of the clients.

They suggest creative boutiques, independent media buying services, research findings. The advertiser should select an advertising agency on the basis of compatibility, agency size, agency stability, agency team service, selling attitude, creativity and problem solving approach.

The Evolution Of Advertising Agency

The advertising agency developed around 1840 when some individuals started to work as sales representatives. They sold space for their client newspapaers on a commission basis. Some bought a set number of pages from the newspaper and sold the space at higher prices to make a profit.

They were called space brokers who believed in price-cutting. The space broker stage lasted the period from 1840 to 1876. There was little emphasis on advertising planning and media schedule during this period. In 1875 N.W Ayer offered an open contract to advertisers, J. Walter Thompson (JWT) set up shop in Mumbai in-1929 as a part of the UK based agency for eastern operations. It was India's first advertising agency. E.J. Peter Fielden headed JWT India for the long 37 years, operating out of a room in the Taj Mahal Hotel, JWT worket on Dond's General Motors, 501 soap (TOMCO) Horlicks, Vaseline, Brown and Poison. It made its first ad film in 1931 for General Motors, Chevrolet, Kodak, one of its brands, was the first to advertise on radio. The use of demonstration vans with projector units for Horlicks was another pioneering move.

Advertising manager and the departmental staff perform two main functions:

(a) Planning the advertising programmes and

(b) maintain liaison with the advertising agency. The advertising manager is responsible for the over all planning of the advertising programme, including such decisions as which products to advertise, which markets to be reached, and whether to employ an out side agency or not. The manager also maintains this programme within the financial and public relations guidelines set down by corporate management. Corporate management must be advised about advertising policy decisions, since they may affect the corporate image and sales potential of the company.

Usually Advertising functions include:

- ❖ Making the ad strategy
- ❖ Evaluation of the advertising programmes
- ❖ Co-ordinating with other agency

- ❖ New innovations in advertising programmes, and
- ❖ Finalizing ad budget

Advertising Agencies can of following types

(a) Full Service Agency:

Full service agency offers its clients a full range of marketing, communications and promotion services including planning, creating the advertisement, performing research and selecting media. A full service agency may also offer non-advertising services such as strategic market planning, design of sales promotions, sales training and trade show materials, package design and public relations. The full service agency is made up of departments that provides the activities needed to perform the various advertising functions and serve the client. The full service agency performs a complete range of services for the advertiser. In addition to offering all research, creative and media services, the full service agency often becomes involved in the advertiser's marketing process.

The Advertising Agency

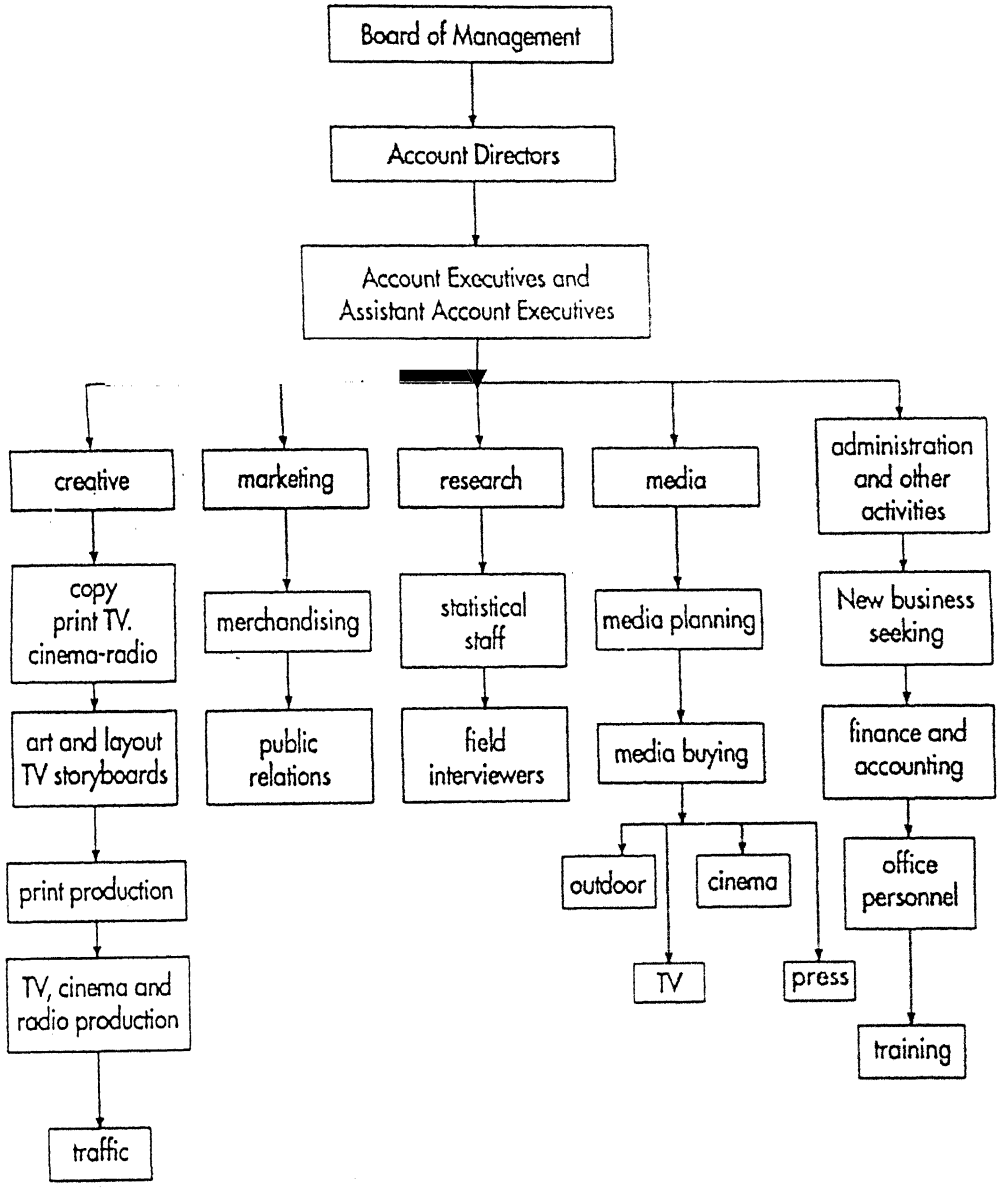


Fig: 4.1

The benefits of a full service agency include attracting and holding the very best talent, providing numerous services which may require an interrelated approach, and providing an objective examination of concepts from an outside perspective based on wide spread experience.

Full service agencies perform the following functions:

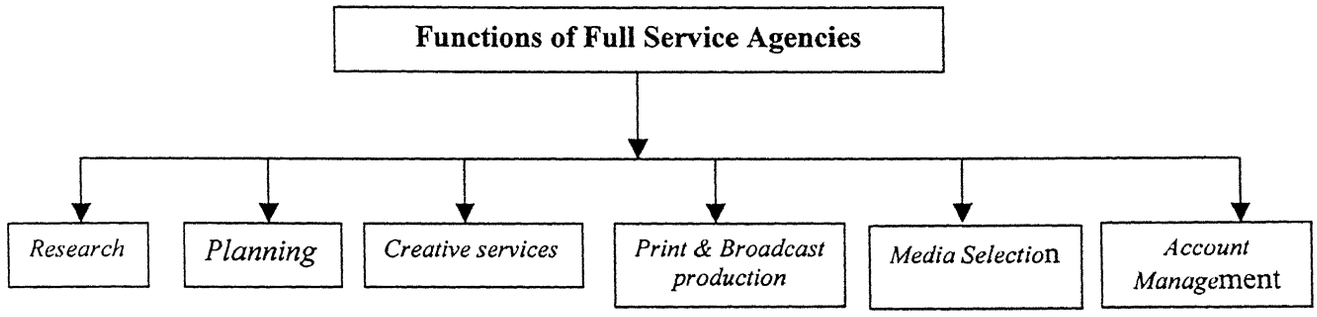


Fig:4.2

A full service advertising agency provides the advertiser with a full package of advertising services which include

(c) Sales oriented creative work,

(d) Synergetic experience,

(e) Centralization of responsibility and accountability,

(f) Greater objectivity,

(g) simplified co-ordination and administration,

(h) Simplifies corrective changes,

(i) Professional strength in marketing area,

(j) Better working environment,

(k) Economical in long run and;

(l) Stronger pool of talent.

(b) In-House Agency:

The in-house agency as its name implies is owned out right by and operated under the direct supervision of the advertiser. It perform all the creative and media services provided by the traditional full service agency.

A major goal in adopting this approach is to reduce the total cost of the advertising.

(c) A Creative Boutique:

It is an agency that provides only creative services. The client may seek outside creative talent because it believes that an extra creative effort is required or because its own employees do not have sufficient skill in this regard. Full service agency often subcontract work to creative boutiques when they are very busy or want to avoid adding full time employees to their payroll. Creative boutiques are usually founded by members of the creative departments of full service agencies who leave the firm and take with them clients who want to retain their creative talent. These boutiques usually perform the creative function on a free basis.

(d) Media Buying Service:

There are independent companies specialize in the buying of media, particularly radio and TV time. Media buying is a niche service and these agencies are specialized in the analysis and purchase of advertising time & space. Both agencies and clients utilize their services, usually developing their own media strategies and using the buying service to execute them.

Because media buying services purchase such large amounts of time and space, they receive large discounts and can save the small agency or client money or media purchases. Media buying services are paid a fee or commission for their work.

(e) The A La Carte agency:

Some advertisers prefer to order a la carte rather than using all of an agency's services. A la carte services can be purchased from a full service agency or from an individual firm that specializes only in creative work, media, production, research, or new product development. The two requirements most frequently obtained by a la carte are creative and media services. A boutique is typically a service agency used as a creative consultant, specialising in concepts, strategy development, and execution. Some advertisers employ a boutique to revitalize a tired advertising campaign or to provide services in specialised media and product categories. A media buying service works with an advertiser to provide a media plan, offer counseling in the development of the advertiser's plan, or provide specialised knowledge of media and usage rates. Firms that prepare their own advertising frequently find the complexities of media purchase require the services of a professional.

A la carte services may provide the advertiser with faster response, more objectivity, and more direct communication which may lead to better results. However, the responsibility for planning and managing the advertising remains with the advertiser.

(f) Special Service Agency:

Some agencies focus their efforts only in some selected areas and then become specialists in those areas. There is great multiplicity of firms whose objective is to provide advertisers, advertising agencies and the advertising media with a host of specialized services. These firms collectively are called

special service groups and they are by far the least known component of the advertising industry

Selecting Advertising Agency

The following factors may be considered in screening and selecting an Ad Agency:

(a) Agency Skills,

(b) Current Clients,

(c) Agency size,

(d) Agency location,

(e) The length of time the agency has been in business,

(f) Agency's financial position, and;

(g) Compensation package.

Ad Agency Compensation:

Advertising agency generates income from:

(a) Commission from Advertising media and

(b) Client fees.

The billing based compensation system, frequently labeled as the "commission system", and provides the agency with money from the advertising medium. The commission is a percentage based on the medium's charge for the advertising space or time used by the advertiser. With the cost

based compensation system, often called the "fee system", the agency receives fixed fees for services given to the clients with media commissions offset against those fees.

Advertising agency can be compensated in the following manner

(a) Commission basis

(b) Cost basis or fee system.

Commission basis: The traditional method of compensating agencies is through a commission system. Commission is a percentage based on the medium's charge for the advertising space or time used by the advertiser. In India Ad agency receives a specified commission usually 15% from the media on any advertising time or space it purchases for its clients. Some trade publications allow as much as 20%.

Cost based or fee System: The system is based upon the cost of performing the services which includes direct and indirect costs of servicing the amount plus a percentage mark up for profit. The cost based or fee system to as agency has five edges over the commission system:

The agency can be more objective in its recommendations as so many clients believe.
The agency has adequate incentive to provide non-commissionable services if needed.
The agency's income is stabilized. Unforeseen cuts in advertising expenditure do not result in red figures or temporary personnel layoffs.

The fee enables the agency to make a fair profit on services rendered. The advertiser, in turn, pays for what he gets—no more, no less.

Every fee account pays its own way. Unprofitable accounts do not ride on the coattails of profitable accounts.

Research Findings of Economic times Survey

Advertising agency commission have hit rock bottom, dropping now to an all time low. A far cry from 15%, some clients are even paying 'their agencies commission as low as 2%. The agency of consumer electronics giant videocon, a company with an advertising budget of Rs. 55 crores has paid only Rs. 90 lakhs as commission, which comes out to be 2%. Car major general Motors moved its business to an agency that was willing to work at 4.5%. Rival automobile company Hyundai is paying a little better to its 'agency at 6%. Oral care giant Colgate Palmolive is paying at the rate of 6% while Raymonds and Gillette are paying at the rate of 4%.

There are not isolated cases and the industry as a whole is ruling under the assault on one of the longest standing payment systems in the country. The list of companies paying the commission to ad agencies is given in the following table;

It can now be concluded that the highest paid commission is 9% instead of 15% as per the system. It is especially bad with creative agencies commission, though media buying and media planning houses are feeling the heat as well. The largest FMCG marketer in the country has dropped its commission for a second year running. An international consumer electronics grant is rumoured to have signed up with one of the biggest agencies in the country for under 5% commission. Agencies consider themselves lucky as they mange to get clients who are willing to pay 8-9% as commission, It looks like that the good old days are gone when agencies earned a commission of 15% on all services rendered.

Commission to Ad Agencies

Client	*Commissions (% of Media Billings)**
Videocon	2.0
Gillete	4.0
Raymond	4.0
General Motors	4.5
Kenstar	5.0
Hero	5.0
Colgate	6.0
Hyundai	6.0
HDFC Standard Life	7.0
Ranbaxy	7.5
Airtel	7.5
Bajaj	8.0
BP	8.0
Shaw Wallance	8.0
HSBC	9.0

*Brand equity estimates from industry source

Table: 4.1(A)

Impact of Corporate Advertising On The Economic Development

In the preceding chapter we have discussed in detail each of the components of Corporate advertising —the media, the advertisers and the agencies—who have jointly fostered the growth of advertising in India.

The study provides a near total picture of the state-of-the-art of Indian advertising. Before concluding this chapter, however, it is essential to make a specific reference to the significant contribution made by Indian advertising to the development of the country. In propagating new ideas, in fostering consumption of a variety of products, in developing the rural markets, in carrying the developmental messages of the Government, and in the conversion of a tradition bound society, Indian advertising has done a laudable service.

In the first place, Indian advertising has fostered consumption of many products in the country in a big way. It has been estimated that about 30 per cent of the present total sales from the shops and stores of urban India come from products that did not exist fifteen years ago. Indian markets experienced a literal flood of new products in the last 10-15 years. And the marketers invariably turned to advertising as their main tool of communication with the customers. Though a number of products/brands failed, hundreds of them took strong roots. And consumption in general, expanded manifold. A significant part of the credit for this expansion should certainly go to advertising.

Secondly, Indian advertising has done a special service to the nation's economy by opening a road to rural markets of the country. In fact, as regards rural markets, Indian advertising has played a package of roles — education, persuasion and conversion. In the last two decades, several manufactured/branded products have been successfully taken to rural consumers of the country.

Indian advertising played a key role in reaching rural consumer segments by penetrating their attention filter, by persuading them to try out various products. It convinced the early adopters and with their support pushed a number of new products into rural households. It cultivated new habits of consumption among rural

folks and encouraged them to save, to spend and to enjoy life better mass consumption of cold drink is the example of this habit.

Indian advertising has also assisted in converting the tradition steeped society, by making it receptive to new ideas. Through the years, the apathy of people towards change and development has been a main hurdle in tackling India's underdevelopment. Their awareness level was very low; they were not only illiterate and ignorant but were uninvolved and indifferent towards developmental programmes. Indian advertising demonstrated that it could effectively market socio-economic changes just as it marketed effectively various products and services. It made people, especially those at the bottom of the socio-economic ladder receptive to new ideas; it fostered among them attitudes that contributed to development. It also fostered among them the revolution of rising expectations. It motivated them to believe that a better life was in store for them, if they embraced some of the modem ideas. It kindled their desires and aroused their expectations and indirectly persuaded them to strive harder so that they could realize a good part of their rising expectations.

The active involvement of the masses was essential for the success of all socio-economic developmental programmes. Indian advertisement successfully enlisted this involvement in all aspect of economic development.

Indian Advertising – Emerging Trends

Advertising has become the big business today. Total advertising expenditure has crossed the 6000 crore barrier. There are more than 1000 advertising agencies operating in India with the average of 6 crores. India's top most agencies like HTA Mudra communications, Ogilvy & Mather Ltd, Ulka and others are spending a lot, putting the clutter of advertisements around the well accepted serials on DD and on private channel like Sony, Zee, Star TV, ESPN etc. But the sad part is that many economists and sociologists even today consider advertising as waste and misleading and leads to price hike. They do not realize that without advertising we would not have obtained Nirma Washing Powder and its competitor Hindustan Lever's Wheel over India at low prices.

Today, the markets are created through advertising alone. Reliance textile became the giant only through its 'Only Vimal' campaign. Pan Parag became the house hold name because of its advertisement featuring the film stars. Close up and Pepsodent created their markets through advertising alone. Pepsi, Coca Cola, Uncle Chips, Reynolds, Rasna, Magic Noodles and many more have become the household names. Advertising very successfully plays the role of informer and persuader. The trend is that do not look at the product, which is not advertised. This trend has become a boon for the ill paid creative persons and copywriters. Creative person, art person and copy writers are today a very scarce productive resource and everyone is talking of creativity and creative people. Multinationals Hindustan Lever, Brooke Bond,. Lipton are showing way to the rural markets which is now buying half the manufacturing output and is likely to go upto its population proportion of 70% by the end of this century. Video vans equipped to show the commercials interspersed with film songs and film shorts are now available to any advertiser.

Advertising helped America to become the world's number one economic power, we recall economist W, W Rostow's classification of five stages of economic growth tradition, transition, take off, maturity, high consumption. America reached the high consumption stage in 1920, while Europe did so only after 1945. America was the first to reach the final stage, because advertising and attention to the consumer created the mass markets needed for high consumption.

According to veteran Indian Adman R.K. Swamy, there is nothing "hidden' about today's persuaders. Newspapers and magazines carry more buy me appeals then read me stories. The television set promotes products from endless channels. Radio/cinema/signboards, billboards and neon signs, kiosks, buses, vans, even bullock carts fitted with loudspeakers—a plethora of media, a barrage of messages.

No wonder the public apts to wield its tremendous weapons—the power to ignore. Half of my advertising money is wasted. I don't know which half, is an old lament. Today's advertiser may believe that two third of his money goes down to the drain. His lovingly produced press ads are not noticed; his television ads are lost in the multi channel clutter.

Advertising in India reflects the social, political, economic and cultural environments in which the ads are created. Satellite TV has ushered in epochal changes in entertainment, in awareness of trends and life styles abroad. It has also dramatically expanded media options, and influenced the style and substance of advertising, which is now richer and stronger in imagery and emotional appeal. CNN's live coverage of the 1991 Gulf war tiggered a boom in the satellite TV and cable industry.

There are now some 40 TV/cable/satellite channels, and 60 are predicted by year end. But the industry seems to have grown too fast too soon. Result : satellite shortage, cable wars, software crunch, fragmentation of advertising revenue, viewer fatigue. Though spending on TV ads may go up the pie in the sky isn't enough for all. TV companies find that wooing both viewers and advertisers is an up hill task. "The TV bubble is about to burst", experts say.

The economic liberalization of the past five years has created challenges and opportunities for advertising. Indian products and services face fierce competition nationally and from foreign and multinational brands. Market research has made rapid strides; Hindustan Lever, the biggest consumer goods conglomerate in India, Pioneered market research, particularly in rural India. Hindustan Thompson Associates (HTA) and Lintas perhaps lead the country in market research. Two massive exercises the Indian readership and the national readership survey—have provided critical data on media habits and reach, on demographies, and on the

Indian consumer, enabling ad agencies to plan media buying more effectively, interesting facts; TV is the no. I medium, in both rural and urban India. The total reach of TV in India is 269 million. Satellite TV reaches nine million homes. Nearly 74 per cent of Indian house holds are nuclear. The typical family— across urban and rural India—consists of 3.9 individuals. The top ten daily newspapers in India are all in the vermicular. Malayalam manorama leading the pack with 6.5 million. As far as magazines go, only one English magazine (India today readership 4.5 million) figures among the top ten, Radio is the second most popular medium in rural areas.

Technology is changing the way ad agencies function. Many of them arc splurging on the latest gizmos (note books, digital studios, media planning, software). Computers and computer graphics have brought new power versatility, speed and value to advertisement production. The potential of internet is gradually being tapped. Several Indian companies are using internet to market their products and services. Video editing smarter, slicker and swifter than ever before the technology juggemaut is relent less. Ad men should learn to leverage technology intelligently and sensitively."

Advertising art in India reveals a British rather than an American influence. On the other hand, American slapstick appeals more readily to Indians than subtle British humour. Indians absorb every thing. They chew other cultures and produce an Indian version of it. Products like coke and kelloggs have an American image, but their Bombay ads are Indian in Character. Since the U.S. is the world's most competitive market, there is a strong American impact on marketing techniques in India. "Marketing may not have been born in America but it graduated there, so a lot of us look to the U.S. for fundamental concepts such as positioning, niche marketing etc."

Advertising mirrors society Some of the young in India equate America with fun and wealth and success. Advertising targeted at India's urban young would therefore be American oriented. But America would be irrelevant to rural communication. "But any fears of the Indian identity in advertising being swamped by American MNCS are quite misplaced whenever we adopt a so called western idea, there is a great deal of debate between the clients and the agency". British were closer to India on the ad front than the Americans until liberalisation and the opening up of the economy. Advertising has followed suit, especially with the arrival of MNCS and of large New York based agencies. The ad men in India should be selective in adapting from the American experience. They should adopt the technology of the west without compromising with Indian culture and values.

The Future Growth

On the basis of current and emerging realities, the future of Indian advertising points to a scenario of further growth and tough competition. The economic liberalization has given a big boost to investment and production in several sectors. It will also involve an economic experiment of considerable complexity, risk and innovation. And a developmental process of this dimension will naturally step up the tempo of marketing and advertising in the country. In-fact, it is bound to usher in real high power marketing and advertising in India. The developmental process will create a chain of new manufacturers and new products. Finding consumers will become the key job in this context.

Every product has to fetch a customer; every unit of production has to be sold. And every manufacturer will necessarily become a marketer and a communicator. While this process of communication will be accomplished through several means, advertising will be the most potent tool in this effort, because of the simple fact that it is advertising that provides all the facilities and means that are required for reaching the large mass of consumers in India. When every producer thus tries to gain the patronage of consumers, the fight in the market is also going to be tough than ever before. In turn, it means that Indian advertising will face keener fight, which will make fresh demands on it in terms of new knowledge, techniques and skills.

Performance and Growth of Leading Ad Agencies

During 1998 ~ 1999 and 1999 ~ 2000

Rank		Agency	Gross Income		Growth over last year (%)
1999–2000	1998–99		1999–2000	1998–99	
			(In Rs. million)		
1	1	Hindustan Thompson Associates*	1,615.75	1,523.8	6.03
2	3	Ogilvy and Mather	1,113.89	772.35	44.22
3	4	Mudra Communications	784.49	717.99	9.26
4	5	FCB-Ulka Advertising	782.26	574.20	36.23
5	6	Rediffusion-DY and R	664.42	451.34	47.21
6	8	McCann-Erickson India	521.67	334.71	55.86
7	7	R.K. Swamy/BBDO Advertising Limited	384.48	347.22	10.73
8	11	Trikaya Grey Advertising (I)**	331.00	241.00	37.34
9	12	Chaitra Leo Burnett	295.08	237.18	24.41
10	15	Pressman Advertising and Marketing	280.77	166.16	69.98
11	9	Contract Advertising (I)*	267.90	266.55	0.51
12	10	MAA Bozell	263.10	250.08	5.21
13	—	iB&W Communications (P)	248.52	195.07	27.40

Rank		Agency	Gross Income		Growth over last year (%)
1999–2000	1998–99		1999–2000	1998–99	
			(In Rs. million)		
14	13	Enterprise Nexus	237.90	203.37	16.98
15	14	Euro RSCG Advertising	228.14	168.72	35.22
16	16	Triton Communications	195.20	161.30	21.02
17	22	Percept Advertising	164.73	79.84	106.33
18	18	Ambience D'Arcy	152.00	125.00	21.60
19	17	Saatchi and Saatchi	148.10	128.99	14.82
20	20	Everest Integrated Communications Ltd	106.00	93.64	13.20
21	21	TBWA Anthem	104.37	86.25	21.01
22	25	Publicis Zen	100.06	61.53	62.62
23	19	Madison communications	98.74	118.00	–16.32
24	—	SSC and Lintas	74.00	23.00	221.74
25	33	Quadrant	72.95	32.24	126.27
26	26	Purnima Advertising Agency	57.57	47.05	22.36
27	30	Interface Communications	56.30	38.40	46.61
28	29	Ushak Kaal Advertising Ltd.	55.86	39.19	42.54
29	28	Fountainhead Communications	48.90	42.10	16.15
30	37	Crayons Advertising and Marketing	42.90	21.92	95.71
31	31	Sasi Advertising	40.60	35.94	12.97
32	27	Interact Vision Advertising Mktg.	39.40	45.55	–13.50
33	34	Imageads and Communications	36.35	32.12	13.17
34	—	Equus Advertising Company	36.03	42.91	–16.03
35	32	Marketing Consultants and Agencies	35.78	32.44	10.30
36	35	Graphisads	34.26	27.13	26.28
37	—	Akshara Advertising	29.50	27.50	7.27
38	—	Hakuhodo Percept	27.49	21.37	28.64
39	46	MCS Communications	25.28	12.05	109.79
40	—	Kamerad-News Advertising	24.34	32.52	–25.15
41	41	Market Missionaries (India)	24.11	14.90	61.81
42	38	Ram Advertising Service	23.74	17.27	37.46
43	—	National Advertising Agency	22.90	19.19	19.33
44	36	Moulis Euro RSCG	22.06	21.94	0.55
45	39	Urja Communications	21.23	15.73	34.97
46	42	Fortune Communications	19.21	14.02	37.02
47	44	Jelitta Advertising	17.95	13.50	32.96
48	47	Adbur	17.20	11.30	52.21

Rank		Agency	Gross Income		Growth over last year (%)
999–2000	1998–99		1999–2000	1998–99	
			(In Rs. million)		
49	—	Rashtria Advertising Agency	16.77	13.70	22.41
50	—	Creative Unit	15.70	13.00	20.77
51	48	Disha Communications	12.96	10.94	18.46
52	—	Centum Advertising and Marketing	12.92	13.10	-1.37
53	49	Elegant Publicities	11.45	10.93	4.76
54	57	Xebec Communications	10.43	9.00	15.89
55	52	Chiranjn Advertising	10.15	9.39	8.09
56	43	T Sarkar	9.68	13.88	-30.26
57	55	Montage Advertising	9.29	9.10	2.09
58	64	Takewing Communication	8.72	6.48	34.57
59	63	Sunny foresight Pvt	8.21	6.81	20.56
60	68	Shells Advertising Inc.	7.95	5.80	37.07
61	77	Thumbprint Advertising	7.61	3.99	90.73
62	61	Sudha and Subha Associates	7.50	7.10	5.63
63	62	Impulse Advertising	7.24	6.90	4.93
64	60	Foresight Marketing and Communications	7.08	7.26	-2.48
65	54	TV ADS	6.69	9.15	-26.89
66	87	AQTv Comm	6.50	3.00	116.67
67	86	Manipal Advertising Services	6.37	3.00	112.33
68	72	Magnum Intergrafiks	6.14	4.51	34.35
69	81	Suraj Publicity	5.56	3.49	59.31
70	—	Oysters Advertising Ltd.	5.29	4.99	6.01
71	70	GDC Creative Advertising Ltd.	4.80	5.40	-11.11
72	76	P. Gautam and Co.	4.24	4.09	3.67
73	78	Exposition Consultants	4.20	3.89	7.97
74	96	IBFC Ads	4.02	2.17	85.25
75	79	Surya Adsystems	3.83	3.88	-1.29
76	85	Gamas Advertising	3.81	3.08	23.70
77	95	Qulksel Communications	3.58	2.17	64.98
78	—	Prezens Advertising	3.56	2.33	52.79

Rank		Agency	Gross Income		Growth over last year (%)
1999-2000	1998-99		1999-2000	1998-99	
			(In Rs. million)		
79	82	Reachout Communications Ltd.	3.44	3.44	0.00
80	90	Profile Advertising	3.23	2.68	20.52
81	94	Wide Reach Advertising Services	2.70	2.20	22.73
82	93	Batha Advertising Associates	2.59	2.32	11.64
83	88	Mind Makers Communications	2.55	2.88	-11.46
84	84	Ishtihaar	2.48	3.19	-22.26
85	100	SD Enterprises	2.21	1.50	47.33
86	98	Siddhartha Advertising	2.19	2.03	7.88
87	99	Mahima Advertising and Marketing	2.09	1.51	38.41
88	91	Sadhana Advertising	1.96	2.56	-23.44
89	—	Anil Publicity Bureau	1.26	1.12	12.50
		Grand Total	**10253.43**	**8213,64**	**24.83**

Table: 4.2(B)

Standards Of Practice Of Advertising Agency

Every member of the association shall carry on his association and business in such a manner as to up hold the dignity and interests of the association.

Every member shall refrain from convassing advertisers of prospective advertisers in such a way as to reflect detrimentally upon advertising agents a whole or this association or any advertising agent in particular.

Convassing is permitted subject to the condition that a member may make known to the client of another member its own capabilities as an advertising agency but may

not submit a specific report or detailed recommendations concerning the clients advertising unless so requested by him in writing.

No members shall pay or undertake to pay or allow to an advertiser or his agent or representative, the whole or any portion of the standard rate of commission resulting or to result to such member from any advertising medium nor promise or procure or undertake to procure advertising space or facilities free of charge, to any advertising, or at a reduced rate, nor supply free of charge, to any advertising, any advertising material, including finished drawings, or other art work, photographs, block stores, matrices or the like, type setting of printing not defray in whole or in part the salary of any employee of advertiser, nor grant any allowances, discount or the like nor render any services having the effect of rebating the commission allowed by an advertising medium. The sharing of commission with member or overseas agency or with agent by this association shall, however, be permitted.

The practice of submitting speculative campaigns is unhealthy to the growth of the advertising services and no speculative campaign shall be submitted by any member of the advertising agencies association of India. By speculative campaign, it is meant producing a campaign unsolicited by an advertiser and equally producing a campaign where the advertiser had requested one or more advertising agencies to do so, unaccompanied by a firm offer of business. That members shall notify the secretary of the association if any such queries were made by prospective advertiser, and that such information shall be circulated by the secretary to the members.

Any member relinquishing an account on the ground of slow payment, doubt fill credit or incurring a bad debt, shall immediately notify the secretary of the association and such information shall be calculated in strictest confidence for information and protection of the members.

No business shall be accepted which is conditional upon the payment of commission fee or reward to a third party not a full employees of the members either for introducing the business or for services in connection with the account

thereafter. This rule, however, shall not preclude a member from employing copy writers or production men at fees commensurate with the values of their work.

Obligation to clients

1. Member agencies must continue to render full agency service in reasonable conformity to the association agency service standard.

2. Member shall retain wither commission granted by media owners or charge the clients a service fee which shall never be less than 15% of the client's gross expenditure.

3. Nor shall they supply material for advertising on any basis that can be considered as direct or indirect or secret rebating. Where no commission is allowed by the media owner, the member will charge his clients minimum of 15% on the gross cost.

4. Members will not discount or commission, other than regular agency commission allowed by the publishers without the client's knowledge and consent.

5. Members shall at all times use their best efforts to obtain for their clients the lowest rates to which such clients are entitled.

Obligation to suppliers

1. Members shall take all steps to assume themselves as to the financial sounders of their clients.

2. Members are required to use fair methods of competition, not to offer the services enumerated above or services in addition to them without adequate remuneration or extension of credit facilities or banking service.

3. Members shall neither prepare nor place any advertisement in any medium, which is knowingly a copy or a plagiarism of any other advertisement of any kind what so ever

4. makes attacks of a personal character, or makes uncalled reflections on competitors or competitive goods.

5. is indecent, vulgar, suggestive, repulsive or offensive either in theme or treatment,

6. is objectionable medical advertising and an offer of free medical treatment, advertising that makes, remedial or curative claims either directly or by inference not justified by the facts of common experience.

7. concerns a product known to the member to contain habit forming or danger drugs; or any advertisement which may cause money loss or injury of health or morals or loss of confidence in reputable advertising and honourable business or which is regarded by the executive committee of the advertising agencies association of India, as an unworthy.

In the event of a member providing to the satisfaction of the executive committee that a client has withdrawn his account on the grounds of the member's refusal to undertake unethical advertising (as described above) no other member shall accept any business whatever from the said clients.

Regulations For Registration And Accreditation Of Advertising Agencies With Doordarshan

Registration : Advertising agencies which are engaged/interested in advertising through doordarshan shall be eligible for registration subject, to the satisfaction of Director General about their bonafides.

Accreditation : Only such registered agencies shall be considered for accredition who have:

Completed at least two years business with doordarshan.

An annual turn over of Rs. 20 lakhs and above.

A paid up capital of Rs. I lakh in the case of public limited liability companies and Rs. 50,000/- in the case of private limited and proprietary or partnership concerns. Produced certificate from the appropriate income tax authority of having filed income tax return for the year immediately preceding the year of application for granting accreditation, and also the income tax certificate of the latest year for which the assessment has been finalized.

Provided doordarshan a minimum business of Rs. 12 lakhs during the 24 months preceding the month of application and

Furnished a bank guarantee of Rs. I lakh after the receipt of intimation regarding grant of accreditation.

3. If any advertising agency transacts a business of at least Rs.'25 lakhs with doordarshan during twelve months preceding the month of application it shall be given accreditation even if it has not completed two years of business with doordarshan, but has completed 12 months business and fulfils the conditions mentioned in sub paras (ii), (iii) and (iv) of regulation 3.2.1.

The accreditation will be effective from the first of the month following the month in which accreditation is granted by Director - General after accepting the Bank Guarantee. If any accredited advertising agency fails to transact a minimum annual business of Rs. 6 lakhs with doordarshan its accreditation status may be withdrawn.

The accredited advertising agencies shall furnish every year their profit and loss accounts duly audited by Chartered Accountant within six months of the date of the closing of their annual accounts. They shall also furnish income tax clearance certificate in respect of the previous assessment year within a month of the

finalisation of the assessment. Failure to comply with these requirements will make them liable to lose their accreditation with doordarshan.

Note 1. The existing accredited advertising agencies shall be eligible for accreditation subject to:

They're fulfilling the requirements detailed in regulation 3.2.1 or 3.2.2 as the case may be.

Their applying for accreditation in accordance with regulation within two months of the date of implementation of the new rules.

Note 2. Such agencies would be provided a period of one year from the date of implementation for achieving the minimum business. During this period, such agencies would retain the provisional accreditation status.

a) Application : Application for registration/accreditation should be made by advertising agencies to the authorities mentioned below :

Application for Registration : The director of Doordarshan kendra in whose zone the head office of the advertising agency is situated.

Application of Accreditation : Controller of sales, doordarshan commercial service, Asian Games Village, Siri Fort, New Delhi - 110049.

Application shall be sent in the prescribed form which is to be completed in every respect and supported by such documents as may be required.

The director-general's decision on such application shall be final.

(b) Commission and Credit : Accredited advertising agencies shall be entitled to a credit of 45 days from the first of the month following the date of telecast, Doordarshan shall-be entitled to charge interest at the rate of 18% per annum on all amounts due to it which are not paid within the stipulated period. The interest shall

be charged from the day following the due date of payment and completed on monthly basis. If an accredited agency fails to make payment of monthly bills by the due date or more than three occasions in a year or within 45 days after expiry of credit period, it shall automatically lose its accreditation.

Accredited advertising agencies would be I entitled to a commission of 15% on the actual business booked with doordarshan.

Registered advertising agencies shall be entitled to a commission of 15% of the actual business booked with doordarshan. They shall pay the advertisement charges in advance by demand draft on a bank/banks to be notified by director-general.

(c) Other conditions: The advertising agencies applying for accreditation shall have a properly equipped office with qualified staff and regular department e.g., art, copy and media.

A list of clients should be made available to Doordarshan which should include at least one client who advertises nationally either on radio, television or the print media.

Registration/Accreditation status shall not be given to any agency of which the sole proprietor, any partner or director is a salaried employee of any advertiser.
The commission allowed to any advertising agency shall not be responsible for the payment of advertising and related bills severally as well as jointly with the advertisers.

Industries certified as small scale industries by the central or state government, who advertise through doordarshan directly, shall be eligible for a concession of 15% in the prescribed rates.

They shall, however, not be entitled to any further commission. They will be required to make advance payment for all bookings.

Capitalized billings : The year 1999-2000 has been good for most of ad agencies. And very good for some. Last year, or in December 1999 to be specific, the industry growth rate stood at 17.9 per cent, the same as the year before. But there was a possibility that the rate will perhaps but the 20 per cent mark in the coming year, 1999-2000. The advertising industry has witnessed unprecedented growth over last year. A growth rate of 24.83 per cent.

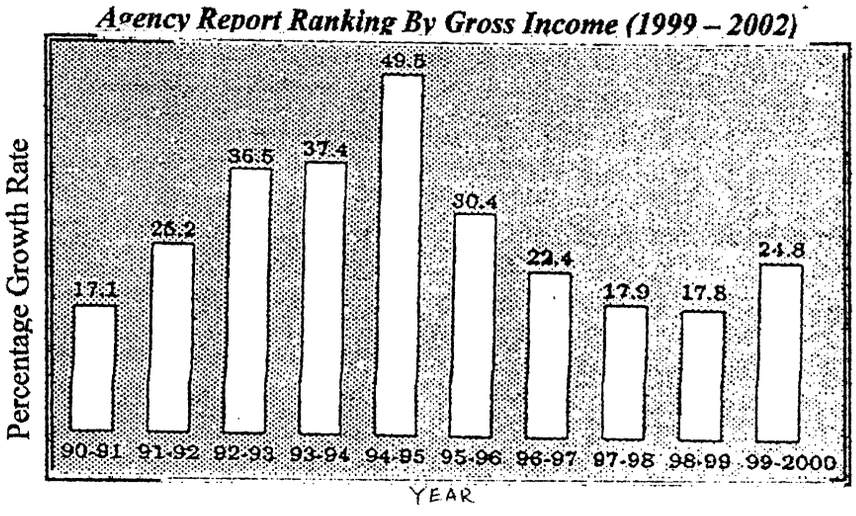


Fig: 4.3

The gross income of all the agencies which have participated in the A and M Agency Report (89 in all) stands at Rs. 10,253.4 million. That's an increase of Rs. 2,039.6 million over last year. For those who aren't quite tuned in-this is the gross income of the Top 89 agencies that were part of the A and M Agency Report last year, as opposed to this year.

As always, there has been plenty of movement. In fact, the rate of growth may seem unbelievable to some. The fact is, there has been growth, and it is evident. But what has indeed been somewhat of a surprise is that as many as 25 agencies have shown growth rates between 20 and 40 per cent. In fact, 53 agencies have shown growth rates of up to 40 per cent. That's quite something. And this is exactly what takes the average up. That old, 'sum of the parts is bigger than the whole' rule. Though the number of agencies that have been included has gone down, the pattern of growth and the distribution of gross income remains the same. In all, the growth rate is substantial except about 14 agencies have shown negative growth rate. The

following bar diagram shows the classification of growth of number of Ad Agencies.

The classification of Growth of Number of Agencies

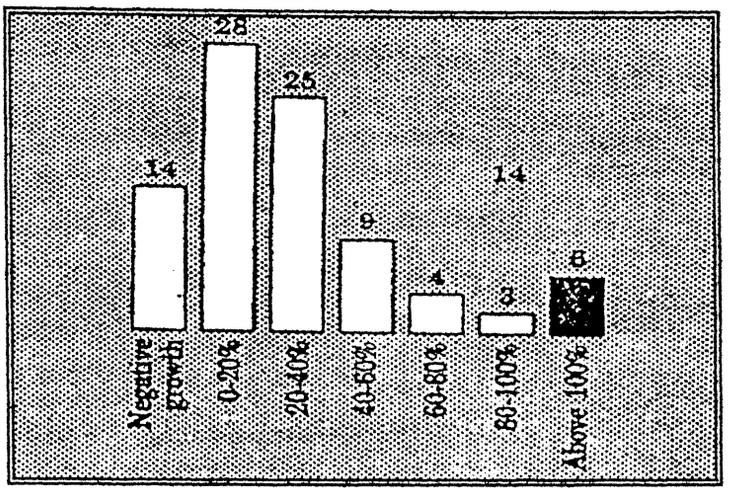


Fig: 4.4

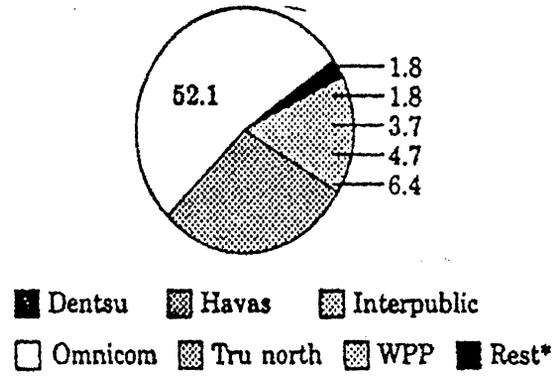
With the passage of time there have been changes in the functioning of Ad Agencies too. For one thing the Internet has finally revealed its presence, and it has helped what is being called the traditional medium to grow. That's one change. The second, rather obvious change is that productivity has somewhat stagnated, or, it seems, even gone down. One should not be worried with this change. For all one knows, it may be a passing phase. It probably is. One can easily decipher that from the fact that many agencies, such as Pressman Advertising, iB and W, Rediffusion-DY and R and Euro RSCG, among others, have shown a healthy increase in productivity levels. Overall, Pumima, like last year, still tops the chart as far as productivity levels go. And it has been doing that for at least the last four consecutive years.

The one thing that has not changed (and perhaps never will, it seems, now) is that the top5 still account for almost 50 per cent of the gross income. But it has to be pointed out that the percentage has gone down, from 50.89 per cent last year to 48.6 per cent this year. There could be a reason for it. This year, Lintals (which, worldwide, has become Lowe Lintas and Partners) has not been included, because its accounts have not been audited at the time this report was being complied. The

other reason could be that both HTA (still at No 1) and Mudra (at No 3 this year) have shown rather slack growth rates, of under 10 per cent.

But asfar the Top 5 go, and M seems to be the opposite, as do FCB Ulka and Rediffusion DY and R. All of these have shown growth rates of over 30 per cent. Rediffusion-DY and R has entered the Top 5 after a long time, though it had initially exploded on to the scene, when it was ranked at No 4 9 years back. That's good news. And it has also succeeded in becoming somewhat of a Yahoo! In India, with Rediff-on-the-Net having become a household name.

The shares of global advertising groups in the Indian pie. Figures in percent



*** Rest includes Indian-owned agencies and global advertising groups such as Cordiant, Publicis, and so on. These figures are based on the agencies' 1999 performance.**

Fig: 4.5

Will things change for Rediffusion? No one can say, but there may be a few changes given that the WPP Group has acquired Young and Rubicam (which has a 20 per cent stake in Rediffusion-DY and R). However there's no change as of now, at least in the Indian context. Speaking of global change, the two words that define the international trend this year are 'mergers' and 'acquisitions'. And these show no sign of stopping. Agency after agency either bought out or was bought out. The list is endless.

WPP, Dentsu, Havas, True North, Publicis ... no one wanted to be left behind. Most equations changed-WPP became the world's largest advertising company, Publicis became much stronger (and the fifth largest in the world) when it acquired Saatchi

and Saatchi. Publicis has also wanted to acquire Y and R, but it was not to be. But it more than made up for that. Havas, on the other hand, acquired Snyder Communications.

The shares of the top 5 agencies in the total gross income

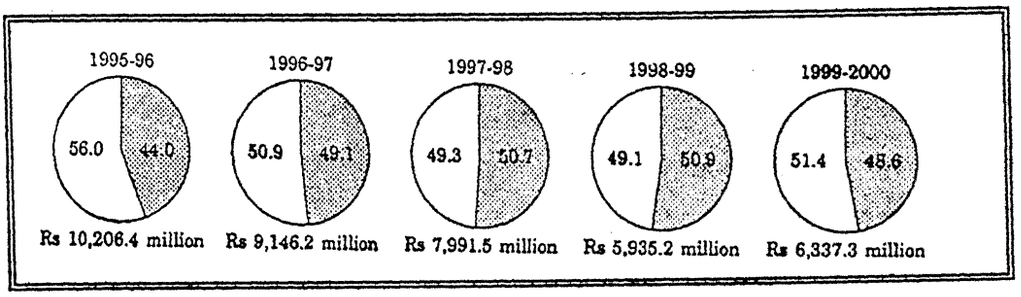


Fig: 4.6

Back to India (not that we ever left it). Among the major agencies that have not taken part or have not been included in this survey are Bates India (the erstwhile Bates Clarion); Concept Communication; Chadha Dhar and Hoon, Interads; FS Advertising; Arms, and of course, Lintas.

Strategy and Policy

In the recent past as a part of business strategy and corporate Advertising policy India Ad agencies have decided to merge with their foreign counterparts.As far as the Indian scenario goes, foreign-owned agencies (which have 51 per cent or more of the equity) control 48 per cent of Indian advertising, or about half. Now, the equation looks like it is set to change. Among the major changes, if we can call them that, were that D'Arcy (once called DMB and B) acquired a 51 per cent stake in Ambience, Grey Global acquired 100 per cent stake in Trikaya Grey. Moulis is claimedly now Moulis Euro RSCG, for the latter has presumably acquired 51 per cent in Moulis. That also puts it under the control of Havas Advertising. Another new entrant is Hakuhodo Percept—not just the old Percept, but a different agency. In the following paragraph a brief description of tie up policy has been elaborated. Table 4.3 shows the latest position in this regard.

With the liberalized economic policies adopted intensification of liberalization by the predecessor, the advertising has become the hunting ground for foreign predators. Indian advertising is now under seizing. It is being predicted that by the year 2004 the top Indian advertising agencies will be MNC dominated. In a few years all the big and medium sized agencies will be MNC driven while the smaller Indian agencies will have to shift focus to specialized advertising to be able to Survive.

While the big boys of India advertising, Hindustan Thompson Associates (HTA), Lintas (now? rechristened Ammirati Puris Lintas after a realignment abroad) and Ogilvy & Mather-have always been foreign controlled, the others are also feeling the heat. Hectic parleys are currently on between Dentsu Young & Rubicam (DY & R) world wide and Redifiusion-DY & R (where DY & R holds 48% of the equity) for full control of the Indian agency by the foreign partner. At Chaitra Leo Burnett, where Leo Burnett has a 26% stake, the foreign major is negotiating for a bigger slice. Earlier RSCG had broken off its association with Ulka advertising following differences over control. In the longer run D'arcy Masicus Benton & Bowlers-DMB & B—which holds a 20% stake in Madison, Saatchi & Saatchi, which has 10% of Sista and Foote Cone & Belding (FC & B) now trying up with Ulka.

In some ways, these developments are inevitable. The Indian advertising industry is recording a growth rate of 40%. Multinational consumer goods majors are entering with their international advertising agencies, which they are more comfortable working with. Today the India has become a growth area. The MNC clients of the advertising agencies have come in, so the agencies would like to have their names also.

Today 25% of the Indian advertising spend is from global brands and this will increase to 40% in the next five years. As the foreign agencies bring in both the business & the technology, they arc also wanting control. But the Indian advertising agencies are not seeing it as a sell out. Rather it is regarded as inevitable fallout of globalization of the Indian economy. There is a lot of international business to be gained through a tie up and the greater the foreign agency's control in the Indian Joint venture, the greater will be the global client's level of confidence and comfort.

The greater foreign involvement will give the Indian advertising agencies to combine bigger business effort and share more clients. As few admen believe that an International alliance has become a necessity for survival in the business today. They believe in minority foreign equity participation without divesting full share. Their view is that international agencies have a wealth of experience and provides a learning experience for the Indian agencies.

Tie-up Tally

Indian agency	*International Ad Agencies*	*Equity*
Chaitra	Leo Burnett	51%
R.K. Swamy	BBDO (Batton, Barton, Durstine & Osborn)	20% (likely to double)
Rediffusion	Dentsu-Young & Rubicam	40%
Mudra	DDB Needham	10% (expected to go up to 80%)
Triton	BDDP (Boulet, Dru Dupuy, Petit)	20%
Trikaya	Grey Advertising	40%
Sista's	Saatchi & Saatchi	10% (will go up to 51% soon)
Ulka	FCB (Foote Cone & Belding)	51%
Clarion	(talking to Mc Cann and TBWA)	—
Madison	DMB&B (Darcy Macius Benton & Bowles)	20% (will go up to 74%)
Everest	Denstu	(still under negotiation)
Nexus-Entreprise	Lowe Group	40%
Speer	O&M Worldwide	80%
MAA COMM	Bozell	30%

Table 4.7

CHAPTER – 5
Advertising Effectiveness

Chapter-5

ADVERTISING EFFECTIVENESS

This Chapter is concerned with the measurement of advertisement effectiveness in advertisement. So in the process of testing corporate advertising a vital question that arises is what constitutes **effectiveness**? In other words which variable is to be counted or measured which will indicate the degree of **advertising effectiveness**?

Effectiveness, therefore, should be measured in terms of a dependent variable, as weight is measured in Kilograms or height is measured in sentiments. The ultimate criterion of ad effectiveness is of course, increased sales, but sale is an ultimate action, and a result of either change in consumer awareness his knowledge of the product, or a change in his attitude, or the development of certain motivating factors. Favourable consumer responses - behavioural, physiological or verbal - are employed as measurements or advertisements effectiveness.

For Example a person, after being exposed to an advertisement, visits a local dealer or dioceses the product with his, friend, or borrows it from his friend for a trial, or buys the product. These are examples of behavioural responses. The physiological responses are a change in the heart beat, sweating, the movement of the eyeballs, etc. A verbal response is the answer given to a question, written or spoken.

Further, an advertisement as a whole cannot be tested with a target sample for the responses enumerated above. It has to be broken down into three parts for message, the media and the scheduling. Each part is then tested for the response of the consumer. The message headline, is illustration, the body text, the layout and the typography are tested for message appeal, its theme, its style, etc. The test should be carried out with ads, which are finished as possible. The more finished an ad, the

more accurate are the test results. But this procedure is often conditioned by time and the cost of testing an ad.

Testing an advertisement should involve testing the effectiveness of media alternatives. Broad classes of media, their sub-classes, specific media vehicles, the size of space and time (full page, half page or 30 second advertisement) employed for advertisement - all these should be tested in the form of consumer responses. The timing of advertisements, their frequency and continuity have been not studied so far as a part of advertisement effectiveness.

In the beginning of the 21st century with an open economy, an intensely competitive nature of the market, new brands, new companies and new services each competing with one other to reach the to reach the consumer. As most of the products and services offer similar facilities, the markets are increasingly relying on the advertising media to reach potential buyers. To do this successfully, advertisers must first understand the consumer behaviour. The object of this study proposes to reveal that:

- Consumers respond to advertising in a multi-stage filtering process, which has some influence on the consumer behaviour.

- Advertising affects consumer attitudes through proving new information, reinforcing existing attitudes, transferring general attitudes to specific situations, identification and changing attitudes.

The effect of advertising on consumer behaviour buying decision can be evaluated at total consumption, total spending for a given category of products and choices of individual brands within a category.

Advertising and buying behaviour:

The major purpose of advertising is to influence buying behaviour. The effects of advertising on consumer behaviour can be evaluated at 4 levels of aggregation can be evaluated in the following four stages.

(a) Effect on total consumption:

The question of effect of advertising on total consumption demand is extremely complex. Numerous studies show that promotional activity does have some effect on the aggregate consumption, but there is no agreement as to the extent. The effects of many social and economic forces, including technological advances, educational level of general populous, increases in per capita income are more significant

Example: The demand for coloured Television and durable Electronic commodities have expanded at a tremendous rate, thanks in part to advertising but especially to favourable market conditions.

At the same time, advertising has done little to slow the decline in popularity of such items as Black & White TV unbranded electronic items etc.

Therefore, advertising can help to get new product off the ground by stimulating demand for the product class. But in declining markets, advertising can only hope to slow the rate of decline.

(b) Effects on primary demand for product categories:

Advertising can stimulate primary demand. The first involves increasing demand for the product category through raising per capital consumption or through adding more new customers. The second involves increasing the demand for a particular brand within the product category.

The question is that to what extent primary demand for the product can be influenced by advertising, has often being discussed by trade associations, farmers' cooperative groups and academic associations. Numerous attempts to use advertising for the purpose of increasing the demand have been made to stimulate coffee and milk consumption, programmes to encourage purchase of various agricultural commodities etc.

(c) Effects on Consumers' Choice of Brands:

It is evident that a major purpose of most advertising expenditures at least by manufacture of consumers goods -is to influence consumer choice brands. Although brand advertising does have some effect on some primary demand too, its primary goal is clearly to increase there advertisers share of market within a given product category.

Thus while advertising for "Samsung" revision may have some impact on total consumption of "Videocon" television, its principal objective and result is to retain 'existing customers and to induce buyers of other television brands to switch over to "Onida".

The effect of advertising on the brand choice are less clear, and no doubt more variable for the routine purchases than for the initial purchases. Within the category of 'routine purchases' advertising may be intended by a marketer to keep existing customers by reinforcing their loyalty to the brand or to take away customers from other brands by inducing them to switch.

(d) Effects on brand loyalty and switching:

A major objective of many advertisers is to produce the phenomenon known as brand loyalty, which comes directly from the habit of repurchasing. Brand loyalty "is the consumer's conscious or unconscious decision -expressed through intention or behaviour-to repurchase a brand continually."

In the quest for brand loyalty, advertisers have 3 aims related to habit:

- Breaking habit: explains that to get consumers to shed an existing purchase habit—that is, to stop buying their habitual brand and try a new one. Advertisers frequently offer incentives to lure customers away from old brands or stores.

- Acquiring habit: helps the consumers to team to repurchase their brand or repatronise their establishment.

 For example: to get you started, record clubs offer free products tied to a contract to purchase more later on.

- Reinforcing habits: is-to remind current customers of the value of their original purchase and to encourage them to continue purchasing. Many magazines, for example, offer special rates for regular subscribers.

Evaluating Advertising Effectiveness

Good planning and control of advertising depend on measures of advertising effectiveness. Yet the amount of fundamental research on advertising effectiveness is appallingly small. According to Forrester, " probably no more than 1/3 of 1% of the total advertising expenditure is used to achieve an enduring understanding of how to spend the- other 99.8%"

Most measurement of advertising effectiveness deals with specific ads and campaigns. Most money is spend on protesting ads, and much less is spent on evaluating their effectiveness.

The effectiveness of and advertisement can be measured in the following ways:

(a) Communication -Effect Research:

Seeks to determine whether an ad Is communicating effectiveness. Called copy testing, it can be done before an ad is put into the media and after it is printed or broadcasted.

There are three major methods of advertising pre-testing:

- Direct rating method asks the consumers to rate the alternative ads. These ratings are used to evaluate an ad's attention, read-through, cognitive,

affective, and behaviour strengths.

- Portfolio tests asks the consumers to view or listen to a portfolio advertisements, taking as much time as they need. Consumers are then asked to recall all the ads and their content, aided or unaided by the interviewer.

- Laboratory tests use equipment to measure the physiological reactions- heartbeat, blood pressure, pupil dilation, perspiration —to an ad. These measures test the attention getting power but reveal nothing about the impact on beliefs, attitudes, or intentions.

(b) Sales-Effect Research:

Advertising's sales effect is generally harder to measure than its communication effect. Sales are influenced by many factors, such as the product features, price, and availability, as well as competitors' actions. The fewer these factors are, the easier it is to measure effect on sales.

Research techniques, which are discussed in the chapter, do not provide exact measures of the effectiveness, but they do provide a systematic means by which advertisers can develop and test advertisements to determine whether they are accomplishing their intended objectives. Advertising research may be divided into two phases:

(1) the pre-testing stage of development and refinement of advertising copy and

(2) the post - testing stage that evaluates its effectiveness.

Developing Messages and Pre testing Advertisements

Effective marketers arc reluctant to spend large sums of money running advertisements that have not been carefully pretested. Before advertisements are put on TV or in magazines, they may have gone through several stages of testing. The purpose of pretesting is to limit, or even eliminate, mistakes.

Pretesting may he conducted in the earliest stages of the development of an advertisement and continues virtually until the advertisement is printed or broadcast. First the basic appeal of an advertisement, or the concept around which it will be built, may be tested. Then a headline, picture, or slogan can be tested. A rough version of the advertisement, featuring still photos in the case of a television commercial or a story acted out by nonprofessional actors in the case of a radio advertisement, can be assembled rather inexpensively and shown lo a sample audience to measure its appeal and believability.

It does no good to create a funny, clever, or dramatic advertisement unless the impact of the advertisement comes through to be people it is supposed to affect.

Videography possible spokespersons for products and showing these tapes tp panels of consumers in an attempt to determine the appropriateness of the spokesperson is a worthwhile pretest. Consider, for example, the manufacturer of a hair-coloring kit who developed an advertisement featuring Raquel Welch endorsing the product. Tests of rough commercials showed that, while Welch was easily recognized/ed and was perceived as an outstanding personality, she was not seen as an authority on the product or as a user of a home hair-coloring kit. The pretesting indicated that to enhance believability, advertisements for home-use products such as this should feature "real people" rather than movie stars. Later in her career, when she reached middle age, research showed Welch to he a very credible spokesperson for Bally Fitness renters, because the target audience associated the need for fitness with movie stars of a "certain age' who must keep in shape.

Many of he marketing research tools have to be used to pretest advertisements. Focus groups, discussions with consumers in malls, experiments, and other techniques can all be helpful. Rough or finished versions of television commercials may be shown in consumers' home (in-home projector tests) or in specially equipped buses or trailers parked in shopping malls (trailer tests). After the commercial is shown, survey questionnaires or personal interviews are conducted to obtain reactions to the advertisements. No matter which method is used, pretesting

attempts to evaluate the effectiveness of an advertisement before that advertisement is placed in the mass media,

Post testing Commercials and Advertisements

Once an advertisement has been developed and has run in the chosen media, posttesting should be used to determine if it has met the objectives set by management. There are many different objectives for posttesting and hence many kinds of posttests. To determine whether objectives have been met, posttests usually measure brand awareness, changes in attitudes toward the product, or generation of inquires about the product. Our discussion will focus on a few standard posttesting techniques.

While measuring Brand Recognition the advertisers must gain the attention of buyers and have them remember the names of brands or the stores in which they can be found, many post tests are designed to evaluate recognition or recall. This is important even to advertisers of well-known brands, because each advertisement for such products is intended to reinforce previously established good images. At the very least, a test that shows advertisers that particular advertisements were remembered gives a feeling that money devoted to the campaign had some impact in the marketplace.

Recall tests can take many forms. For example, a telephone survey may be conducted during the 24-hour period following the airing of a television commercial to measure day-after recall. In such studies, the telephone interviewer first poses a question such as this:

"Did you watch 'Sixty Minutes' last night?"
If the answer is positive, the next question might be:
"Do you recall whether there was a commercial on that program for an automobile?"
If the answer is again positive, the interviewer might ask:
"What brand of automobile was that?"

To this point, what has been measured is unaided recall. The interviewer gives no clue as to the brand of car advertised. In an aided recall test, the questions might he phrased differently, as in these examples:

"Do you recall the brand of automobile advertised? Was it a Japanese compact car?"
"I'm going to read you a list of automobile brand names. Can you pick out the name of the car that was advertised on the program?"

While aided recall is not as strong a test of attention and memory as unaided recall, it still provides valuable information. After all, remembering the brand when it is seen on the supermarket shelf may be all that is necessary. Advertisers arc also interested in related recall. Related recall refers to the ability of a person who has seen an advertisement lo repeat, or "play back," specific sales messages or images. Some advertisers set lip booths in shopping malls and ask target customers lo view one or more advertisements and then comment on or describe the advertisements. Researchers are able to determine which advertisement or portions thereof, were most memorable to these subjects. This type of post test allows researchers to determine if the advertisements accomplished their goals.

Another way to measure recognition involves showing an advertisement to a respondent and simply asking whether the respondent remembers having seen it before. If the answer is yes, the respondent is asked questions about particular portions of the advertisement. The Starch Advertisement Readership Service is a syndicated supplier of this type of recognition information. It classifies readers into three types.

- ☞ "Noted" reader. A person who remembers having seen the advertisement in the magazine issue being studied.

- ☞ "Associated" reader. A person who not only "noted" the advertisement but also saw or read some part of it that clearly indicated the brand or advertiser.
- ☞ "Read most" reader. A person who read at least one-half of the written material in the advertisement.

Certainly tests such as these are not perfect measures of recall and recognition. However, when they are conducted carefully, they provide marketing managers with helpful information.

Measuring Changes in Attitudes about a Product Effective advertisement can contribute to changing consumers' attitudes toward a brand. To measure and evaluate attitude change, researchers must record buyers' attitudes before they are exposed to the relevant advertisement and after exposure. Thus, a two-part, before-and-after study must be undertaken. For example, suppose a new Neutrogena advertisement states that Neutrogena hand cream has great powers to heal badly irritated skin on hands and feet. The effectiveness of Neutrogena's new advertisement could be measured by before-and-after surveys among target buyers. The result of the first survey might show that few consumers know the product heals hands and feet. Next, advertisements could be shown to a sample of these target buyers. (The research techniques to ensure exposure are many and varied.) A second survey is conducted after the advertisement has run. If the results of this survey show increased recognition of the product's healing properties, some measure of success in affecting attitude change is credited to the advertisements.

Generating Inquiries about the Product

In certain situations, such as evaluation of one direct-mail piece versus another, the generation of inquires is a good measure of an advertisement's effectiveness. Advertisers of organizational products often count the number of inquires generated by one magazine advertisement versus another to measure advertising effectiveness. Many suppliers of such products advertise in trade magazines that reach precisely those people and organizations most likely to be interested in their products. Many of these advertisements include a phone number readers can call or a coupon they can return for additional information.

Certainly, the numbers of calls or coupons the advertiser receives can suggest the effectiveness of the advertisement.

Inquiries usually come primarily from persons who are actually interested in the products being offered. Therefore, they are of particular use to marketing organizations whose promotional mixes included personal selling.

Such organizations can use these inquires to focus their sales forces' efforts on the customers most likely to buy. Thus, the number of inquires provides a measure of an advertisement's pulling power and supports the activities of the sales force.

Sales as a Measure of Advertisement Effectiveness

After seeing some of the ways in which marketers try to measure the effectiveness of their advertising, the question arises: "Why not just use sales figures?" Unfortunately, this is easier said than done. Advertisers have difficulty using sales as a direct measure of advertising effectiveness because many factors other than advertising influence sales. It is nearly impossible to separate the effect of tile economy, the price, wholesaler and dealer activity, and so on from the effects of advertisements. Nevertheless, most marketers ultimately do use this measure, even if sales changes are not scientifically "proven" to result from advertising. Thus, many popular and memorable advertising campaigns—have been removed from circulation when the advertisements did not positively affect sales.

Test marketing research and laboratory experiments designed to simulate sales behaviour are the most sophisticated research tools available to evaluate advertising effectiveness when sales volume is the primary criterion. However, because advertising's effect on sales may not be immediate, even the most elaborate research may not establish the relationship between advertising and sales.

Advertising researchers arc constantly trying to improve techniques in this area, because sales remain the bottom line for all advertisements. However, only in special cases, as when sales result from coupon offers, will sales be a reasonably accurate measure of advertising effectiveness. Marketers must recall that research techniques intended to measure advertising's effects must be used carefully and with the understanding that they are usually very far from perfect.

Measuring Sales Impact of Corporate Advertising

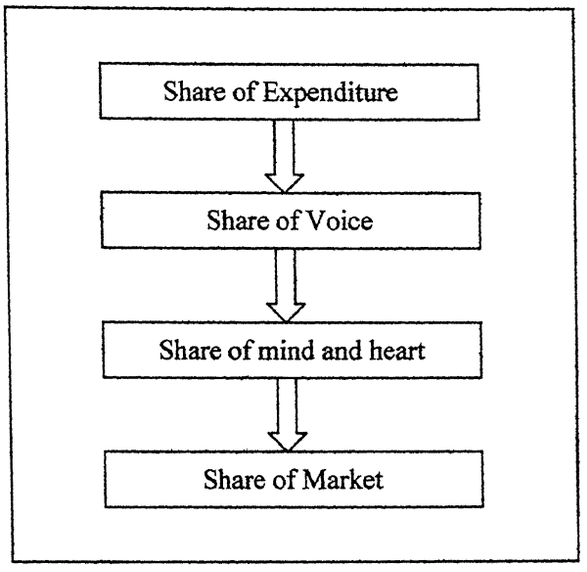


Fig: 5.1

Business today conducted a survey to evaluate the top 10 television campaigns and 10 print ads of India.

The research wing of Business Today has identified following premier ten Television Campaign and leading ten print ads of India. The details of all these campaign and print media are as under[1]:

1. **Hutch:** *Wherever you Go*

2. **Jassi Jaisi Koi Nahin (SET) :** *Are you ready for Sony?*

3. **Airtel:** *Are you with Me? Are you with Airtel?*

4. **Bajaj Pulsar:** *Put less in the Tank..*

5. **Bajaj Caliber**

[1] *Business Today vol. 13, No. 10 PP 100 – 107, Dt. May 23, 2004, New Delhi*

6. **Nokia:** *Download Success*

7. **Tanishq:** *Cleopatra in Chains*

8. **Coca-Cola:** *Can't Pin It on the Real Thing*

9. **Nescafe:** *Kick – Starting Careers*

10. **Maruti Suzuki:** *Confident And Cool...*

Business Today commissioned multinational research firm TNS India to conduct a survey to evaluate India's top 10 television advertising campaigns and top 10 print ads for the year 2003. This is the second survey of this nature undertaken by BT, the first was done in 2002,[2] conducted by NFO-MBL (which has since morphed into TNS India).

They had the option of going to a panel of marketing or advertising professionals. Instead, they decided to go to people who matter, consumers. Tapping consumers means that we faced the issue of target group (TG) definition. All ads are geared towards a specific TG. definition, the real test of the ad would be to see how it fares amongst its intended TG. Going to each brand-specific TG, however, had a problem) as there were too many TG definitions. They have, therefore, decided to go to a group cutting across demographics to ensure inclusion of all kinds of campaigns and ads geared towards all kinds of TGS.

The entire evaluation process Involved the following phases:

- ☞ Sourcing of a comprehensive list of ads, for both TV and print, from New Delhi-based advertising monitoring company, TV/Print AD Index, vetted by TNS India and BT. The scope of the study was limited to national TV campaigns and print ads (defined as one that ran across more than one zona boundary). Also, for any TV campaign the constituent ads should have had the same underlying theme and should have run simultaneously or within a

[2] ***Business Today dt. March 17, 2002, New Delhi.***

reasonable time period to be considered a campaign. Only campaigns/ads in Hindi and English were chosen for the evaluation.

- This list (around 100 TV campaigns and 350 print ads) was further pruned by interviewing middle-level advertising professionals across large advertising agencies, the criteria being familiarity and how well, in their opinion, the campaign/ad was received in the marketplace.

- The final short-list (35 TV campaigns and 50 print ads) was then taken to consumers in six cities: New Delhi, Mumbai, Chennai, Kotkata) Hyderabad and Bangalore. Forty consumer interviews were done in each city. The IG was 15-40 years of age, SEC A &c B, and equally split between men and women. Quotas were across occupational categories.

- Respondents were shown the short-listed TV campaigns and print ads. They were first checked for familiarity of the campaigns/ads. Then they were asked to evaluate all the campaigns/ads they were familiar with, on overall opinion and other parameters such as credibility, uniqueness and, brand fit on a IO-point scale. Post this, respondents were asked to rank the 10 campaigns/ads for TV and print.

- Familiarity and not just awareness of the campaigns was used as an eligibility criterion for a respondent to be able to judge the campaigns/ads. The extent of familiarity was captured on a 10-point scale and only people familiar with the campaign were asked to judge that campaign.

- To identify the top 10 ranked campaigns/ads, we wanted lo use a combination of parameters, which would help us evaluate the campaign or ads in a holistic manner. An approach focus on the top rank or top three or five ranks did not help much as some campaigns had a skewed response (few liked them very much vis-à-vis others who liked them to a much lesser extent).

 Therefore, the rankings of the best campaigns were changing somewhat

from the top rank list to the top five list. Moreover, the evaluation procedure also had to take care of the base, that is the percentage of people familiar with the campaign/ad.

- They had adopted the following approach to arrive at the top 10 television campaigns and the top 10 print ads. First, we ensured a minimum familiarity level in order to have a sufficient base for all campaigns, while at the same time ensuring that campaigns or ads with a more focused audience did not lose out. Thereafter, in order to remove bias due to the skewed rank responses, a minimum percentage ranking was ensured/or the top 10 ranks. And lastly! the highly liked campaigns were segregated using mean ranking (of the first top 10 ranks) on the familiarity base—the lower the rank the better. A tie in mean ranks was resolved in favour of that campaign, which fared better in the top three approaches followed by the top ranking one.

Conclusion

Advertising is a communication link between the producer and consumer. It may provide consumers with information about the product. Consumers respond to advertising as a multistage filtering process in which the stimuli of the marketing programme are interpreted according to the consumers' own set of needs and values.

Thus, it is necessary to measure the advertisement effectiveness in an accurate manner so as to ensure that maximum benefit may be derived from the minimum resources.

CHAPTER – 6
Corporate Advertising Sponsorship

Chapter 6

CORPORATE ADVERTISING SPONSORSHIPS

Sponsorship is the financial or material support of an event, activity, function, person, organization or product by an unrelated organization called *SPONSORER.*

In sponsorship funds are made available to the recipient of the sponsorship in return for the exposure of sponsorer's brand and product. This is conventional definition of the term sponsorship. In present marketing scenario sponsorship has been developed into a complete phenomenon. It is not merely taken as a support either financial or material but has developed as a new and effective means of publicity.

Present era is the dynamic era of marketing, and different companies are trying different tools to increase their image, brand awareness and sales. Advertising sponsorship is such a tool and is used by leading corporate bodies with great efficiency.

Concept

In today's world sponsorship is not only linked to the field of art, theatre and sports but it has expanded to new fields such as *Research and Development, education, social* service etc. Universities and colleges seek sponsorship for students, technical equipments and buildings, etc. Hospitals want sponsorships for buildings, operation theatres and costly equipments. No matter what the area is, if a company believes that its brand reputation will be enhanced and its brand awareness will be increased but its involvement with an organization, event or a person then sponsorship becomes an important part of '4^{th} P' of Marketing Mix, that is '*Promotion*'.

Every sponsorer has to look after some prospective of the sponsorship before giving it the final shape. As with any promotional activity, the sponsorer has to ensure that

the recipient organization, event, person or the product which is called 'sponsoree', is recognized by its target audience or not? Is it managed professionally or not? Is it of good and high reputation or not? No sponsorer can take the risk of being get involved with the organization, event, person or the product that has a bad reputation, as it can work adversely on its own image. The recipient or the sponsoree, on the other hand too needs to be well informed about the sponsorer's image and reputation.

Sponsorship on different denominators can be broadly classified into two main categories as

a) Event Sponsorship,

b) Celebrity endorsements

a) Event Sponsorship

Event Sponsorship means that some event or function is sponsored by some corporate body. The benefit from such sponsorship is mutual in nature as the recipient or the sponsoree gets funds to function more efficiently and the sponsorer get the chance to include or attach its name with that of event in its publicity.

Event Sponsorship can further be classified into various types. The diagram on the next page clearly describes the classification.

Classification of Event Sponsorship

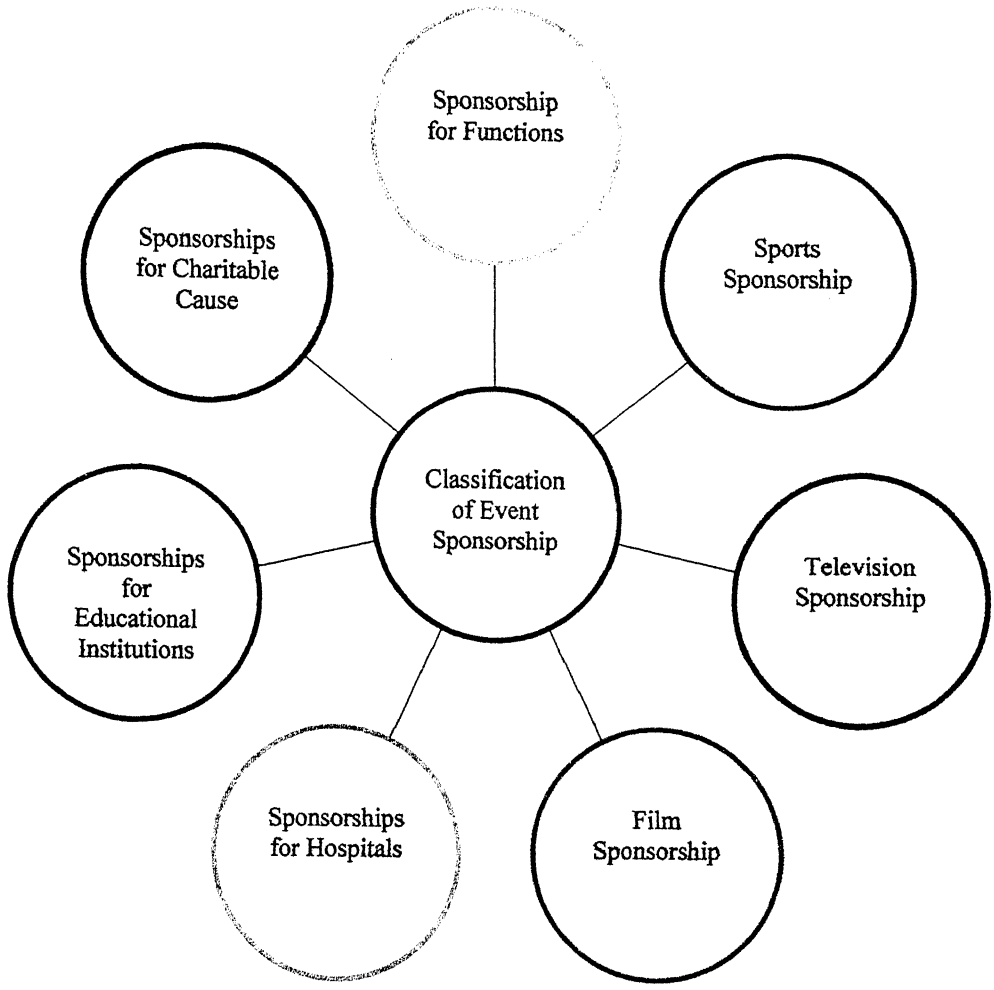


Fig: 6.1

A brief description of classification is as under:

Sponsorship for functions

Sponsorship for functions means that some function of high repute and well recognized by general public is sponsored by some corporate giant. Sponsorship for functions can further be divided into long term and short term sponsorships.

Long-term sponsorship means that some company if under agreement, sponsors some event for a long time.

Example:



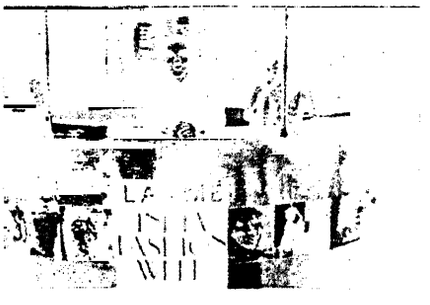
Filmfare Awards function is one of the most waited and viewed functions in India since 1998. It is sponsored by Manikchand Group of Companies, as it has an agreement of ten years with Filmfare and thus it is advertised as Manikchand Filmfare Awards.

Short-term Sponsorships are the sponsorships that are made for short-term, i.e. for one or two times. Most of the sponsorships are of short-term in nature.

Example:



In the year 2002, the leading and the biggest beauty contest of India, that is ***Femina Miss India Contest*** *was sponsored by* ***'Fa'*** *and so it was advertised as* ***Fa Femina Miss India Contest.*** *In the year 2001 it was sponsored by* ***Lakme.*** *Recently the Miss India Contest was sponsored by* ***Ponds.*** *Thus it is a short-term event sponsorship.* Similarly,



The recently concluded Fashion Week in New Delhi, in which all the leading Fashion Designers of India presented their creations, and is well recognized all over the world was sponsored by Cosmetics Giant of India ***'Lakme'*** *and thus it was named as* ***'Lakme India Fashion Week'*** *after the name of its sponsorer Lakme.*

Sports Sponsorships

Now a days every sports event either national or international is sponsored by some

corporate body thus providing funds for smooth functioning of an event.

Example:

The recently conducted Cricket Tournament between India and Pakistan was sponsored by Samsung and thus the trophy was named after the sponsorer as ***Samsung Cup 2004.***





Besides sponsoring sports events, sponsorships are also offered for the entire teams participating in the event.

Example:

The Indian Cricket Team is sponsored by Sahara India and according to the agreement the Indian Team has to wear the uniform, which has the name of Sahara written on it in front. Similarly,



The Indian Team for Davis Cup Tennis Tournament is sponsored by leading sports apparel Adidas company ***Adidas,*** *which is world's second largest manufacturer of sports apparel and shoes after* ***Nike.*** *And thus the team members have to wear Adidas shoes and apparel while playing and going in front of media.*

Television Sponsorships

Now a days, the most common and effective way of advertising is advertising on television. In order to grab the attention of people watching television, corporates have now started sponsoring different programmes on television. Whenever some

programme on any television channel starts, a declaration as – "this programmes is sponsored by....." appears.

Example:

On Discovery Channel, when the programme named Extreme Machine starts the declaration – "This part of Extreme Machines is sponsored by Wipro" appears as Wipro Sponsors that programme.

Different programmers on different channels are sponsored by different corporate bodies. A programme which is of women's interest is usually sponsored by some cosmetics company, programmes of children's interest are usually sponsored by some chocolate or drinks company. So **the sponsorship for a television programme depends on the nature of the audience of the programme to make it effective.**

Example:

If a boxing match is sponsored by some cosmetics company it will be of no effect as women hardly ever watch boxin. Similarly if a cooking show is sponsored by some company making gents accessories it will go in vain. So the decision on, which programme to sponsor, by the corporate body has to be taken by keeping in mind the nature of the product, its target audience and the audience for a certain programme.

A sponsorship will be effective only if it is implemented well and it is able to attract the target audience, so a careful selection of the television channel and programme has to be made to made sponsorship effective on television.

Example:

Recently Star TV telecasted a programme named Popstars about the selection of the Pop Group and it was telecasted on all five channels of Star TV. That programme

was sponsored jointly by some of the Corporate giants like Britannia, Coca-cola, Fa, Bacardi, LML, and Liberty.

Film Sponsorships

Corporate sponsorship in the field of entertainment is not limited to programmes on television only but has extended to films also, as whenever some film is going to be telecasted, its advertisements appears in various newspapers and other advertising media with the name of the Sponsorer, if any.

Example:

On 26th January 2002, a film named Mission Kashmir was telecasted on Setmax Channel and various advertisements about it appeared in newspapers along with the names of sponsorer of the movie. The sponsorers were Royal Stag – a brand owned by United Breweries India Limited.

There is another type of sponsorship related to films. Whenever some contest related to some film goes on it is sponsored by some corporate giant. As in India films are one of the best means of entertainment so corporates think it effectively to sponsor a film or some contest related to some film as it is watched by many people thus taking the name of the sponsorer to the mind of large number of viewers.



Example:

Recently, there was a contest going on for film Kabhi Khushi Kabhi Gham at the largest cinema complex – PVR in New Delhi. It is a very popular complex and people in large numbers go there to see the movie, the contest was sponsored by many corporate giants like – Woodland, Usha Shriram Hotels, Raddison Hotel, United Breweries and Revlon etc.

Sponsorships for Hospitals

Now a days equipments used in hospitals are very costly and in most of the hospitals funds are limited, thus they seek sponsorships for the development of its building, up gradation of its operation theatre and to buy new and advanced equipments. Many corporate bodies offer such sponsorships as these sponsorships help them to enhance their public image.

Example:

The electron microscope installed at All India Institute of Medical Sciences (AIIMS), New Delhi, and the premier institute of medical Sciences in India is sponsored by ***Larsen and Turbo (L & T) group.*** Similarly,

Safdarganj Hospitalis the biggest hospital of Delhi, it has all sorts of facilities available to patients and thus patients from all over the India Come here for treatment, therefore there is always shortage of Wards and Beds there. In order to deal with this situation many corporate giants of India like ***Tata*** *and* ***A V Birla*** *group has offered sponsorships for the construction of three more wards that are named after them.*

Sponsorships for Educational Institutions

Now a days education has become costlier and sometimes due to lack of funds some brilliant students are kept deprived of quality education Educational institutions also need funds for the development of their infrastructure which sometimes can be made possible with the sponsorships by corporate bodies. In order to assist students in their education scholarships are also provided to some students and these scholarships are named after the corporate group offering it.

Example:

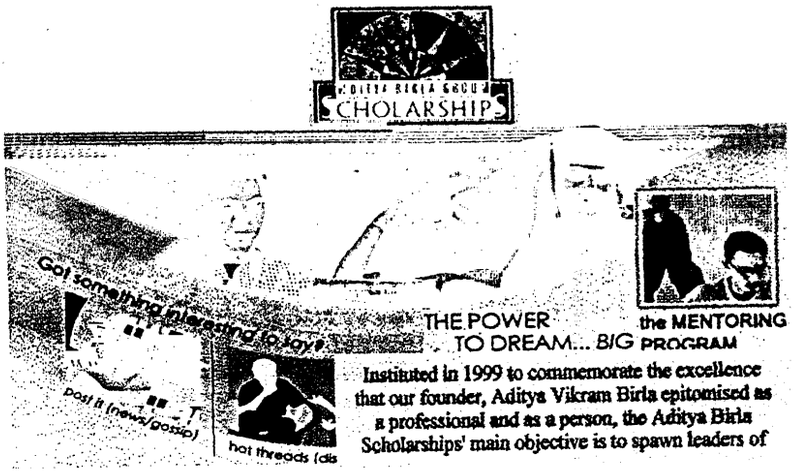
At MDI (Management Development Institute) Gurgaon, which is one of the premier Business Schools of country, Scholarships are provided to some students by

corporate groups like ***USHA Shriram Group*** *and* ***L'Oreal*** *and the students getting these scholarships are called as the 'USHA Scholars or L'Oreal Scholars.*

Another Example in this context is that of Aditya Biral Scholarships:

Aditya Birla Group *is a well-known corporate group.every year it offers scholarships to some students selected from some IITs and IIMs. These students in turn are then called as the Aditya Birla Scholars.*

Now, the trend of corporate sponsorships has developed so much that now everything is sponsored by some corporate body. Even the articles in different newspapers are sponsored by Corporate bodies.



For Example:

Some columns in different sections as sports and business, in the Newspapers like Times of India, Hindustan Times and Amar Ujala are sponsored by different corporate bodies like United Breweries India Limited and Tata Engineering.

Sometimes, some reading supplements are supplied with some magazines and these supplements are sponsored by different Corporate bodies.

Example:

With the November edition of magazine Intelligent Investor, a reading supplement on mutual funds was supplied which was sponsored by ***HDFC (Housing Development Financial Corporation) Mutual Fund.***



Sometimes some companies, specially the Pharma Companies, in order to oblige, the Doctors gift them subscriptions of different magazines and journals. When such magazines or journals reach the doctors they carry an attachment with them showing the name of sponsoring company of the subscription.

Example:

Blue Cross Pharma *is one of the leading pharma companies of India with some products like TusQ-D cough syrup and Bludrox brand of antibiotic cefadroxil that are market leaders in volumes of sales. In order topush sales and to remind the doctors about their brands they gifted subscriptions of magazines* ***India Today*** *to some of the leading doctors of many cities. When the magazines were delivered to the doctor, they had a paper attached to them on which the name of the sponsoring company and its products was printed thus reminding the doctor to prescribe the sponsorer's product.*

Courtesy: India Today

Relevance Of Corporate Sponsorships For The Sponsorer

Sponsorers think that there are generally two advantages of sponsorships.

First advantage is that the media coverage now a days is very wide and the viewers does not only see the brand name that is displayed extensively but sometimes the actual product is on hand for demonstration and display and the viewers can get the knowledge about the actual features and functioning of the product.

Example:

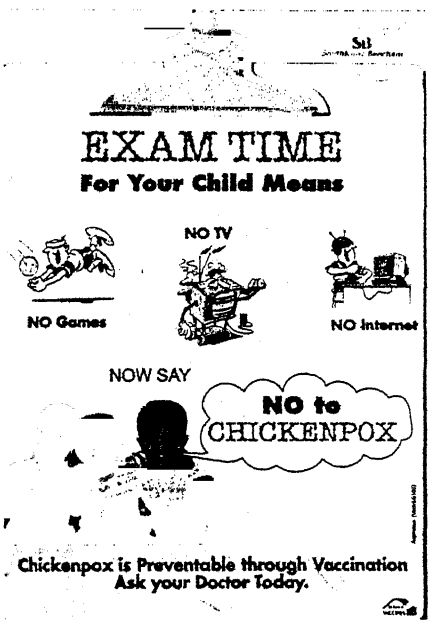
In the recently held cricket tournament in Pakistan, the winner of the Man of the Series award was presented the ***Hyundai Santro*** *car by the* ***Hyundai Motors.*** *The company representative announced some special features of the car, before giving away the keys to the winner. So in this way every viewer came to know about the features of Hyundai Santro car while remained seated in their houses.*

Second advantage of sponsorship is internal in nature to the institution. Sponsorers think that sponsorships for some noble and charitable causes help them in raising the morale of their employees and to create the positive feeling in the employees for their employers.

Example:

Boots Pharmaceuticals *is one of the leading pharma companies of India as well as of the world. Recently it has announced that, from the sales of every bottle of its* ***Kinetone*** *brand of tonic it will donate Fifty Paise to sponsor the education of some poor children through* ***CRY (Child Relief and You),*** *which is a non-profit organization working for the development of poor children.* Similarly,

*On the 63rd Birthday of **Reliance Industries Chairman, Dhirubhai Ambani,** his sons **Mukesh Ambani – President of Reliance Industries Limited** and **Anil Ambani – MD of Reliance Industries Limited** on behalf of Reliance Industries declared that an **orphanage** named **Aastha** in Mumbaiis going to be sponsored by Reliance Industries, and **Reliance Industries** will pay for the education, food and other expenses of the orphan children.*



***Prevention of Chickenpox Campaign**, sponsored by Pharma major **SmithKline Beecham** which got merged with **Glaxo** to form **the world's largest Pharma Group** named **Glaxo-SmithKline** in the month of September 2001 is another example of such type.*

b) Celebrity Endorsements

Apart from sponsoring events, functions and other activities corporate bodies often think of making agreements with some celebrities.

For the purpose to attract people corporate bodies or companies made contracts or agreements with celebrities to appear in their promotional activities and advertisements and in return for which, they are paid some amount of money as specified in the agreement. This amount of money is called as **Endorsement Amount,** the person or organization which pays the money is called **Endorser** and the person who received money is called **Endorsee.**

Celebrities are the persons, who are well known, and are famous among general people or target group of customers. Thus due to their popularity they can easily attract people towards them. Celebrities can be from any field as sports, movies, modeling, music, fashion, education and literature etc.

Celebrity endorsements are not a matter of recent times but is was started in 1960 in India. In the **year 1965** when the first Miss India competition took place, the winner

of the competition **Sara** was offered **first ever offer for endorsement for Lux** and the endorsement amount was a sum of mere **Rs. 500.**

It is not necessary that to endorse someone needs an amount to be paid, but endorsements are sometimes complementary also.

Celebrity endorsements generally are of two types:-

☞ General Endorsements, and

☞ Brand Ambassadors

☞ **General Endorsements**

These are the general endorsements in which a celebrity is paid certain amount of money for which he / she has to appear in the sponsorer's advertisements and has to be a part of sponsorer's other promotional activities such as advertisement campaigns and brand awareness drives for a certain period of time. The basic purpose behind celebrity endorsements is creating brand awareness and sales promotion.

Thus there are three basic requisites for general endorsements, as

1. There should be an endorser and an endorsee

2. An amount is paid by endorser to the endorsee

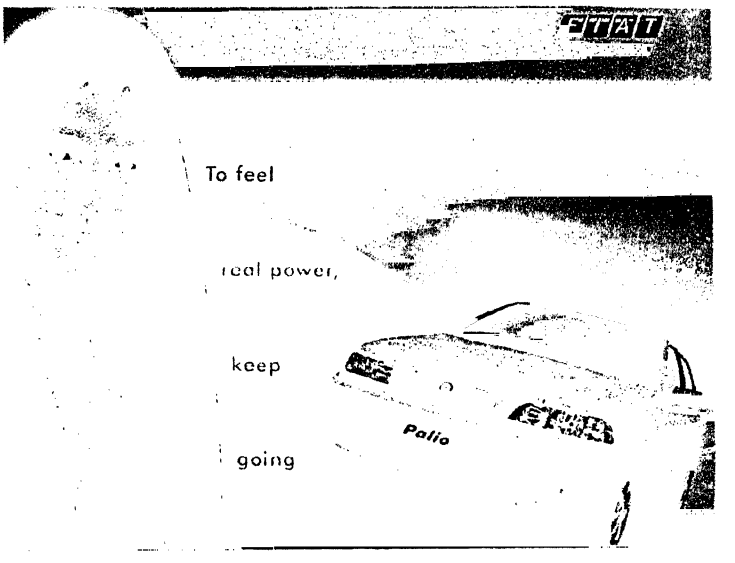
3. Endorsement is for a specific time period as mentioned in the agreement.

The advantage of celebrity endorsements is sometimes mutual also, as if the brand is well known the brand image gets enhanced by being endorsed by some celebrity, and the celebrity also gets his image and popularity enhanced by endorsing certain product.

Example:

Zakir Hussain, one of the famous Tabla maestro and a world famous personality has been endorsed by **Taj Mahal** brand of tea of **Brooke Bond India Ltd.** He appears in every advertisement as well as every sales promotion activity of the company.

Fiat Palio, is now a successfully brand in small car segment. When it was launched in 3rd quarter of year 2001, it managed to sell cars at the rate of 817 cars per month upto Auto Expo, in the month of January 2002 in New Delhi where its newer version **Fiat Palio S10** named after **Sachin Tendulkar** was launched by Sachin Tendulkar himself. The impact of Sachin's involvement with the brand was such that the company sold and booked 5700 cars in a single month of January – February 2002 is an another Example in this context.



Some Of The Famous Corporates Brands And Their Celebrity Endorsers Are as under :

Brands	Celebrity
Maruti Versa	Amitabh Bachchan & Abhishek Bachchan (Actors)
Fiat Palio	Sachin Tendulkar (Cricketer)
Hero Honda	Hrithik Roshan & Saurav Ganguly (Actor & Cricketer)

TVS Motorcycles	Sachin Tendulkar (Cricketer)
NIIT	Vishwanathan Anand (Chess Grandmaster)
Aptech	Javagal Srinath (Cricketer)
Reebok	Mohd. Kaif & Rahul Dravid (Cricketers)
Adidas	Sachin Tendulkar, Leander Paes & Mahesh Bhupati (Cricket & Tennis Players)
Britannia	Rahul Dravid (Cricketer)
Taj Mahal India	Zakir Hussain (Tabla Maestro)
Coca-Cola	Aamir Khan, Aishwarya Rai (Actor & Actress)
Pepsi	Amitabh Bachchan, Sachin Tendulkar, Shahrukh Khan (Actors & cricketer)
Maybeline Cosmetics	Sheetal Mallar (Model)
Bata	Rani Mukherjee (Actress)
Visa	Sachin Tendulkar (Cricketer)
Nakshatra Diamond Jewellery	Aishwarya Rai (Actress)
MRF	Sachin Tendulkar (Cricketer)
Today's Pen	Javed Akhtar (Poet)

Table: 6.1(A)

Endorsement Expenses

Highest amount ever paid to a person for endorsement is to Tiger Woods, Famous golf player of USA who was paid US$ 20 Million for his two year agreement with Nike.

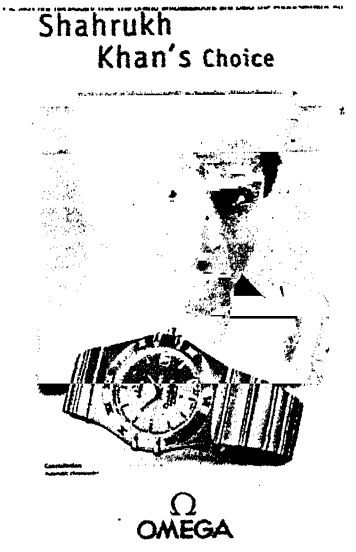
*For an **Indian**, the highest amount ever paid for endorsement is **Rs. 100 Crore to Sachin Tendulkar** for his agreement of 5 years with Worldtel Group.*

Brand Ambassadors

These are somewhat special kind of celebrity endorsements in which the celebrity does not necessarily has to appear in the sponsorer's advertisements and other

promotional activities but he / she has to display or sport the sponsorer's product whenever he / she goes public, beside this he / she sometimes has to represent the sponsor in different functions and events. Sometimes, it is also not necessary that the brand ambassadors are paid the endorsement amount but, the endorsement is a matter of prestige only.

Example:



Omega Watches *is one of the largest and most famous wristwatch companies of the world. In the year 1999 – 2000 it has appointed* ***Shahrukh Khan (actor), Sushmita Sen (former Miss Universe and actress) and Shabana Azmi (Actress and Ex-Member of Parliament – Rajya Sabha)*** *as its Brand Ambassadors in India. These people, except Shahrukh Khan do not appear in the advertisements of the company but they'll have to represent the brand in public.*

Some Famous Brands and their Ambassadors

Brands	Ambassadors
Omega Watches	Shabana Azmi, Shahrukh Khan and Sush Sen
L'Oreal Cosmetic	Diana Hayden (former Miss World)
Tissot Watches	Aishwarya Rai (Actress)
Fiat Palio	Sachin Tendulkar (Cricketer)

Table: 6.2

The latest trend in celebrity endorsements is that, the renowned and famous businessmen have started appearing in the advertisements, either of their own company or that of some business partner or associate.

Example:

S. N. Narayanmurthy, *Chairman* ***Infosys*** *– which is Microsoft's partner in software development in India, has appeared in a recent advertisement of Microsoft featuring* ***Microsoft Windows XP*** *with his statement for Windows XP as "I don't know where from Microsoft get the list of my wishes".*

Objective of Brand Ambassador

The main purpose of Brand Ambassador is business promotion and that of celebrity endorsements is sales promotion.

A celebrity endorsee has to appear in the promotional campaigns and other advertisements as mentioned in the agreement, but brand ambassadors need not necessarily appear in the advertisements and other promotional activities of the organization.

For an endorsement, a specific amount of money, as provided in the contract is paid to the endorsee whereas in case of brand ambassadors the amount may or may not be paid, as sometimes the agreements are made on the basis of mutual benefit.

Institutional Policy For Sponsorships

Every organization has a policy for advertising called advertising policy. The advertising policy of an organization states the budget required and available for the advertising of a certain product, the target market segment, the selection of the media, and how the process of promotion should take place.

Thus the advertising policy has three main issues to decide –

- Whom to target?
- How to target?
- How the budget is to be spent?

The institutional policy of an organization for the sponsorships is a part of its advertising policy. Thus it consists of following :

(i) Setting the Sponsorship Objectives

The first step in the sponsorship policy is to decide the objectives of the sponsorship i.e., what has to be promoted? Is it a product or a service? If it is a product, then what type of product it is – a consumer product, an industrial product or a specialty product, if it is a service then what type of service it is – a general service or a specialized service.

Which market segment is to be targeted is the next big question of the policy. Whether a particular market segment is to be targeted or several market segments are to be targeted? This has to be decided before formulating the sponsorship policy.

(ii) Selection of Sponsorship

After setting up the objectives, comes the decision on what type of sponsorship has to be made – whether event sponsorship or celebrity endorsements? This decision is partially based on the nature of the product and partially on the budget available, as a consumer product like cosmetics can be best promoted though sponsorships of certain events as beauty contests while to promote a car celebrity endorsement is a better choice.

After selecting the type of sponsorship from two main heads – event sponsorships and celebrity endorsements, it is to be decided that in case of event sponsorships what type of event is to be selected and in case of celebrity endorsement, whom to endorse?

(iii) Deciding On The Budget

After setting up of objectives and selecting the type of sponsorship the advertising budget is the most important and crucial part of the policy as to perform the decided

functions money is required and the total budget available for promotion and advertising cannot be spend in sponsorship s and it has also to be spent in other promotional activities also. So, the selection of sponsorship has to be made by keeping in mind the available budget for the sponsorship.

If the sponsorship budget of an organization is small then it has to carefully select the event it has to sponsor, which should be under its budget and in case of celebrity endorsement, the selection of celebrity has to be made by keeping in mind the available budget and the demand of the celebrity.

After deciding all these factors a working plan has to be formulated which should consist of the procedure and sequence for performing the functions. These functions have to be in co-ordination and accordance with other promotional activities and the main advertising policy of the organization.

CHAPTER – 7
Internet Advertising and its Impact on Corporate Sector

Chapter 7

INTERNET ADVERTISING AND ITS IMPACT

Is it just another emerging niche medium with some peculiar creative capabilities and constraints? Or might it transform consumer marketing in the same way that network television revolutionized consumer culture and commercial practice four or five decades ago? How much impact is the Internet really having on advertising and marketing?

Interviews with marketers reveal that few believe the Internet will change their approach to advertising. Most see it as little more than a complement to traditional marketing practices, and don't expect it to reduce expenditure on broadcast and print media or change the form, pricing, or delivery of advertisements. Their view is probably a reaction to the early hype about the Internet and the World Wide Web, which created unrealistic short-term expectations among marketers and frustration with the inadequacies of the delivery technologies among consumers. We take a contrary view. We believe that Internet advertising will account for a growing proportion of overall advertising expenditure.

Moreover, advertising - and marketing in general - will adopt practices first developed or deployed on the Internet. As the technology improves, the impact of Internet advertising will increase and become easier to measure, and the gap between this new precise, interactive marketing capability and conventional "fuzzy" passive media will widen. Over the next few years, advertising agencies and consumer marketers will be under pressure to change their whole approach to marketing communications.

Marketers will become more accountable for their results, and they will pay more attention to building a total customer relationship. Offering consumers value in return for information will become vital in eliciting their preferences, which in turn will be critical to customizing advertising. And companies' entire marketing organizations will be progressively redesigned to reflect interactions with consumers on the Internet.

For ad agencies, fees based on results will become standard. The economics of Internet advertising are likely to make current business models obsolete. New capabilities will be required as creative production speeds up and becomes more closely integrated with marketing activity. A deep understanding of enabling technologies will become a prerequisite for fresh forms of advertising.

Our views on the evolution of Internet advertising and its impact on traditional marketing may seem provocative to some, premature to others. But the intriguing marketing experiments taking place on and off the Internet suggest it is time for consumer marketers to begin looking to networks for new ways of thinking about the marketing theories and approaches on which they have long relied - and to begin capturing the lessons Internet advertising holds for all their advertising practices, online and conventional.

Internet Advertising: Vision for Future

Looking at today's Internet advertising to predict what tomorrow will bring is about as helpful as using a rear-view mirror to watch the road ahead. But a point of view about what online advertising will look like in three to five years' time can and should influence current management decisions about how to invest marketing communication fund the Internet. A number of fundamental forces are currently reshaping internet advertising: the near daily emergence of new technologies that improve measurement, targeting, and data interpretation; the strenuous efforts of primarily entrepreneurial marketers to make business use of the Web; and the establishment of patterns in consumers' use of these new interactive networks. Thanks to the impact of these forces, tomorrow's ads will differ from todays in the

shape they take, in the metrics available for gauging their effectiveness, and in the pricing structure that governs their purchase and sale.

New Shapes

The first and most obvious change in advertising will be in what consumers see on their screens. Ads are likely to change in terms of their content, the type of customization they employ, and their delivery to the consumer.

Content

Aspirations to transcend todays form of Internet advertising will first be realized in the content of ads. The development of new technologies such as virtual reality and chat, coupled with consumers' growing preference for material that is directly valuable to them, is driving the emergence of new forms of content. Three main types are on the horizon: **experiential, transaction-oriented, and sponsored content.**

Experiential content will allow consumers to "experience" the ownership of a product, service, or brand. The best current examples let the user test out a product. Sharps Web site offers a personal tour of the Zaurus personal digital assistant in which consumers can input calendar or address information exactly as they would if they used the product in real life. At The Gap's site, customers can "try on" outfits and mix and match separates from the current range. In the future, technologies such as virtual reality will make ads even more experiential: customers will feel as though they are test-driving a new car, or walking down the aisles of grocery store.

Transaction-oriented content will invite consumers to make a purchase directly from an ad. Advertising content will become increasingly oriented toward transactions. Indeed, the Internet may already be changing consumers' buying behavior, particularly for considered purchases such as cars. Prospective car buyers who are looking for product information before making a decision can obtain more information more quickly through the Internet than by any other means currently

available. Having done their research in advance, they are more ready to buy at the point when they actually encounter a manufacturer or seller.

The implication for marketers is simple: they need to make it possible for consumers to carry out transactions easily and seamlessly, or risk losing sales to competitors. Consider Casio, which uses Virtual Tag technology developed by First Virtual to enable customers to make purchases from an Internet banner ad. An Internet user can learn about Casio products, purchase a watch on line, and select the means of delivery without ever leaving the banner.

Sponsored content will blur the line between editorial matter and advertising. A lot of sponsored content already exists on the Internet – for example, Nissan sponsors weekly soccer tips on Parent Soup in association with the American Youth Soccer Association - but by and large it tends to resemble the "brought to you by ABC" model familiar from traditional media.

The emergence of advanced forms of hybrid commercial-editorial content will be driven by consumers' ability to "tune out" straightforward commercial messages, be they banners, interstitials (ads that pop up while users wait for a requested Web page to appear), or standard forms of sponsorship, and by advertisers' desire to influence attitudes in more subtle ways.

By way of analogy, consider the growing use of product placement in films and television (James Bond drives a BMW Z3 in his latest movie) as marketers seek to make their offerings stand out from the clutter of ads and break through the cognitive filters that allow consumers to discount ordinary commercials. The network environment offers ample scope for hybrid content: entire sites can be funded and co-managed by advertisers (as with Procter & Gamble and ParentTime), while avatar technologies bring advertisers into chat rooms. However, the issue of editorial independence and the possibility of consumer rejection or backlash may ultimately set limits on the pursuit of this approach.

Consumers seem to be willing to release information about themselves as long as they are the prime beneficiaries.

Customization

Anyone who has been offered a credit card they already hold can appreciate the need for greater customization or "address ability" in mass-market advertising, and even in direct mail. Indeed, the level of response that advertisers receive largely depends on the accurate and timely targeting of messages, as do the number of transactions and the degree of loyalty that are generated.

The Internet is supposed to enable marketers at last to target their offers to hat elusive "segment of one." Yet advertising on the Internet has so far been targeted mainly on the basis of editorial content, just as it is in traditional media. Part of the reason is technical, though the development of tracking software that allows ads to be delivered only to target audiences is overcoming this obstacle. Consumers' reticence has been a further barrier, but as Internet users grow more willing to provide information about themselves, two types of customized content will emerge.

First, content will be customized by means of information inferred about users.
The Ultramatch technology recently launched by Infoseek, to take one example, makes it possible to target those Web users who are most likely to respond to a given ad. Based on neural networking technology, Ultramatch observes users behavior when they put out queries and explore subjects, collecting the results in its database. Advertisers using the service can select individuals according to their interests and thus pitch their campaign to a receptive audience. Ultramatch also allows them to ascertain which individuals are responding to ads, and to move the ads to places where they will attract similar users.

Second, ads will be customized on the basis of information voluntarily provided by users. The key to making this approach work will be to overcome consumers' desire for privacy or anonymity by offering them rewards for personal details in the form of special information, discounts, or promotions. On ParentTime, for example, users who enter the ages of their children receive relevant care information as well as Pampers ads geared to those age groups. Experience suggests that consumers are

willing to release information about themselves as long as they are the prime beneficiaries Organizations such as trust (an initiative sponsored by leading companies to develop electronic commerce) and the Internet Marketing Council (IMC) take similar view. The IMC requires marketers to provide a "giveaway" or discount before they can gain certification. This scheme is specifically designed to prevent information provided by consumers from being misused in e-mail.

Delivery

The recent hype about "push" technology on the Internet might suggest that this will be the dominant vehicle for delivering advertising on the Web. We believe the reality will be more integrated, combining today's "pull" format Web sites with "push" technology such as PointCast to deliver ads to people according to their interests. Triggered banners (ads that appear when certain key words are mentioned) and interstitials are early examples that point the way. Consider how one automaker's ads are pushed to chatroom participants when the topic of cars comes up, or how a user waiting for content to be downloaded is sent an ad related to that content. Marketers must ask themselves a number of questions: What is the right balance? Where can push technology be exploited most effectively? How much push are users willing to take before they begin to tune out?

As online advertising develops, advertisers will discover that the Internet is the only medium that can deliver certain types of message, such as multisensory and interactive ads. These new forms will allow advertisers to achieve several objectives – some of them unattainable via conventional media – simultaneously Internet AD objectives have been shown in the following Exhibit

Internet Advertising Objectives	
Shaping attitudes	One-way communication Build brand or product awareness
Delivering content	Detailed product or service information

	Communication is typically "pulled" by recipient
Soliciting Response	Two-way Communication Response can vary from click through to information exch to actual purchase
Enabling transaction	Two-way interaction Online sale
Encouraging retentic	Continuous two-way interaction Customized for recipient

Table: 7.1

They are likely to make Internet advertising more important in the overall marketing mix as marketers capitalize on their unique capabilities. At the same time, our glimpse of the emerging future casts doubt on the merit of current heavy investments in big brand sites that require content to be "pulled," or in banner ads that - like most on the Internet today - merely replicate the forms of advertising that exist in the physical world.

New metric

The Internet affords marketers an unprecedented opportunity to measure the effectiveness of their advertising and learn about their viewers. The capacity to measure impact sets the Internet apart from other media. Measurements available for television, for example, estimate the total size of an audience; what they don't do is tell an advertiser how many people actually saw an ad, or what impact it had. On the Internet, by contrast, marketers are able to track click-through, page views, and leads generated in close to real time. The result: measurements that are more precise and meaningful than anything available in traditional media.

Results-based pricing marketers the opportunity to shift some of the risk of failure to sites or agencies.

The emergence of these new metrics will affect not only ads themselves, but also the way that marketers and agencies develop them. First, more precise measurements will yield better insights into the effectiveness of advertising spend. It will be easier to identify ads that don't work, and to find out why. Advertisers will also start to expect the content of ads to be renewed more frequently in response to audience reaction. A new product from Infoseek offers a hint of things to come. Copy Testing in a Box is a tool that combines the immediate feedback of the Internet with sophisticated targeting technology to allow marketers to refocus their Internet campaigns to the most responsive customer segments within a matter of days.

Second, advertisers will be able to assess the impact of their ads earlier in the spending cycle. As a result, they will have the flexibility to launch and roll out a campaign in such a way that it can be changed before most of the money is committed. This will affect the very process of creating Internet ads, and perhaps spur advertisers and agencies to devise new ways of organizing around it.

New pricing

Whereas marketers tend to have fairly uniform objectives in traditional media, such as shaping attitudes in television or obtaining responses in direct mail, the Internet, as we have seen, allows them to pursue several different goals simultaneously. In the same way, the standard types of pricing used in traditional media, such as CPM (the cost of exposing a message to a thousand viewers of TV or readers of print), will give way on the Internet to pricing that varies as widely as the objectives of the ads themselves. Indeed, the technology can support several pricing mechanisms at once: pay per click-through, lead, transaction, dollar spend, or conventional CPM. This kind of variegated pricing is already appearing in the marketplace: P&G has pushed for pricing per click-through; CD Now pays Web sites commissions on the transactions they generate; and Destination Florida pays according to leads generated. Similarly, DoubleClick is introducing an advertising network,

DoubleClick Direct, whose rates are based on results, and has already signed up clients including Alta Vista and GTE's Internet service.

Because of these factors, pricing for Internet advertising is likely to be multi-tiered, based on results, and tied to marketers' objectives. At least three pricing mechanisms will coexist: pricing by exposure, response, and action.

Emerging Internet Pricing models	
Metrics	
Pricing per exposure	Impression Unit of time spent
Pricing per response	Click-through
Pricing per action	Download Information exchange Transactions

Table: 7.2

Pricing per exposure - for instance, via a rate card based on CPM - will prevail for ads placed on the Internet to generate awareness of a product or brand. Over time, this form of pricing should become more refined. As measurability and metering improve, advertisers will want to pay only for impressions on their target customers, while publishers will eagerly search for ways to extract premium exposure rates. The result is likely to be the establishment of an additional tier of "effective" CPM rates.

Pricing per response will establish itself as the standard for simple consumer responses such as click-through. Prices will vary according to the types of user a site attracts and how much advertisers are willing to pay for access to them.

Pricing per action is similar, but more elaborate. A site publisher might charge an advertiser more for a consumer who downloads a piece of software or provides some demographic information, say, than for one who merely clicks on a banner. We believe that the ability of Web publishers to charge advertisers for the true value they receive is likely to make the difference between profit and loss. The price for a lead generated, for instance, could reflect the prospects potential lifetime value; if it did, sites would charge automotive OEMs and white goods manufacturers different prices for prospect leads. As a result, a fee per action or sales commission is likely to emerge as a major pricing mechanism for Internet advertising over time.

How quickly and how far these models take hold in the near term will depend on how risk is shared between marketers, agencies, and sites. Results-based pricing gives marketers the opportunity to shift some of the risk of failure to sites or agencies. Publishers and broadcasters in traditional media have usually been loath to take on this kind of risk. However, Internet publishers should find risk sharing attractive if it is appropriately priced, as it could boost the advertising revenues on which their success depends.

Pricing in general is fraught with issues. Will site publishers demand a degree of control over the creative execution of ads to ensure quality, for instance? We believe that the sharing of risk in Internet advertising will ultimately be determined by the prevailing balance of power, which will vary from advertiser to advertiser and site to site, and shift over time. Large, well-known, "safe" advertisers may be able to secure results-based pricing more easily than others, particularly at times when site publishers are struggling to make their economics work.

It will be in the best interests of marketers, site publishers, and even agencies to prevent the lowest common denominator setting the industry's pricing standard. To settle for a simplistic, unsophisticated, "one size fits all" pricing scheme would mean leaving a lot of money on the table. The widespread acceptance of multi-tiered, performance-based pricing will make the Internet both distinctive and highly lucrative as an advertising medium.

The spillover effect

The changes now taking place in the shape, measurement, and pricing of advertising on the Internet may seem dramatic enough in themselves, but we believe they will have a much broader impact on marketing practices in general. This spillover effect will occur for four reasons.

First, new ways of advertising on line will inspire new creative approaches elsewhere. Second, the Internet will prompt marketers to reevaluate their use of traditional media. Third, Internet advertising will help marketers to improve their understanding of consumers' needs, preferences, and product usage. Finally, once marketers get a taste for the measurability of Internet ads and the tailored pricing it enables, their expectations of the effectiveness and measurability of other media will rise.

New creative approaches

The timeliness and direct tone of advertising on the Internet will increasingly inspire marketers operating in other media. Seeing the daily updates of information that the Web makes possible and the lengths to which online advertisers must go in. order to keep users' interest (for instance, renewing banners weekly) may sharpen their appetite for replicating Internet practices on TV and in print.

The notion that creative approaches pioneered on the Web will spill over to more traditional media should surprise few. Historically, the emergence of new media has always prompted content changes in existing media. Consider how print changed after radio, and later television, arrived on the scene.

Fidelity Investments recently attempted to mimic the immediacy of the Internet in its television advertising. It refreshed its ads on a daily basis by incorporating current news headlines. However, the campaign met with mixed success, perhaps because it lacked a distinctive point of view.

Marketers' adoption of creative techniques pioneered on the Internet will grow as technologies like broadband, WebTV and virtual reality begin to influence traditional media. Wink and Woridgate are developing technologies that allow viewers to "save" a commercial to watch later, or to obtain detailed information.
The enormous creative flexibility offered by the Internet will increase pressure for more choices of delivery in traditional media. The (probably apocryphal) story of Helena Rubenstein asking to buy an extra three seconds for a 30-second spot to realize her creative vision suggests how we may start to question accepted standards and constraints in traditional media.

The greater measurability of the Internet Advertising will prompt marketers to re-evaluate all their investments in media.

Marketers may also need to reexamine the theories that underpin their advertising practices. As we noted, online advertisers have found that banners must be renewed frequently if consumers are to keep clicking. Their experience defies the conventional wisdom in advertising that any ad must be seen at least four times to make an impression. On the Internet, greater impact can be achieved by showing a wider range of ads that are repeated less often.
Insights like this cast doubt on the effectiveness of current television campaigns, most of which are still based on old ideas of frequency.

Re-evaluating media investment

Everyone has heard the advertiser's lament: "I know 50 percent of my advertising is working; I just don't know which 50 percent." The greater measurability of Internet advertising will prompt marketers to revaluate all their investments in media, especially in the addressable categories of print and
direct marketing. Not only are response rates often higher in Internet advertising, but the cost of reaching target customers can be lower, with better information received in return. As a result, we may well see a migration of targeted marketing spending from direct mail and other traditional media to the Internet

Consider a recent example. AT&T used the Internet to generate awareness of and shape attitudes toward its toll-free collect-call service, which is mainly targeted at 16- to 24-year-olds. The company had previously found this audience difficult to reach cost-effectively through print or broadcast media. The results of the online effort were excellent. Top-of-mind awareness increased by over 30 percent, and AT&T opted to replace its print advertising with an Internet campaign.

The traditional approach to customer response and lead generation has been to use ads in trade magazines and customer response or "bingo" cards. However, findings announced by one large publisher of trade titles indicate that more than two-thirds of bingo cards either go unanswered or are not responded to promptly because of the time it takes to qualify and manage leads. The study suggests that the Web is an excellent tool for generating quality leads and may even supersede bingo cards in time.

Migration of this kind will reallocate the slices of the advertising pie. Interviews we conducted with marketers reveal that most believe their initial spending on the Internet did not come at the expense of other media (in other words, their overall advertising budget grew). But many expect that future increases in their Internet expenditure will be taken from other areas, probably print and/or direct marketing. They also see their Internet advertising budgets growing much faster than their traditional media budgets.

Migration may also take place in non-addressable media spending. Striking levels of media displacement are already evident among Internet users. Most notably, TV viewing has declined among a third of adult Internet users. Similarly, in a recent Wall Street Journal poll, 21 percent of respondents cited spending more time on their computer or in using online services as a reason for watching the major TV networks less than they did five years earlier. When marketers accept the idea that brand building can be accomplished on line, some spending on TV radio, billboards, and other non-addressable media may migrate to the Internet.

Getting closer to the consumer

We believe marketers will soon start to use the Internet as a kind of testbed for campaigns planned for print, "TV, or radio. One leading-edge marketer, London International, the maker of Durex condoms, is already trying out advertising concepts on its Web site before transferring them to other media where their effectiveness is harder to track. It is testing three concepts ultimately destined for conventional media: "On-line Lovers," "Dr Dilemma," and "The Nurse." By monitoring pages selected, click-through, responses generated, and other indicators, the company is able to discover which parts of a prospective campaign work and which don't, thereby reducing the risk of launching the equivalent of a box-office flop.

Conducting market research and obtaining feedback from consumers can be expensive and difficult. The Internet offers cost-effective alternatives to conventional methods, and may yield more revealing information. Several of the marketers we interviewed said that their presence on the Web had taught them a tremendous amount about their customers' views of their products and services. They maintain that the Web offers a non-judgmental way of providing feedback and ideas, and is less intimidating for consumers to use than standard toll-free numbers.

Marketers at Fidelity, London International, and Coors found that users of toll-free numbers mainly called to ask questions about products. On the other hand. Internet users, even when given answers to the most frequently asked questions, would often provide feedback about the quality of a product, new variations on it, and ways that it might be changed. To be sure, some of the additional interaction may be down to the different demographic profile of Internet users, but gathering information of this kind is becoming an increasingly important way to use the Web.

To gather deeper feedback, marketers are experimenting with Internet focus groups. LiveWorld has already hosted several sessions for NFO, a company specializing in this area. The advantage of conducting a focus group on line is that participants are anonymous and can speak their mind without worrying what others in the group think. In addition, geographically dispersed participants can be assembled at a

fraction of the usual cost. London International is planning to conduct an online focus group to assess the effectiveness of its Web efforts in the near future.

Finally, the opportunities for testing new product ideas on the Internet are legion, particularly for electronic or intangible items such as magazine covers, entertainment concepts, and personal financial services. The possibilities are just beginning to be exploited.

Rising expectations

Two features of Internet advertising - the measurability of its impact and the probability of some form of results-based pricing emerging - are likely to raise marketers' expectations of traditional media. If they do, pressure may build for a more accurate measurement system or a shorter measurement cycle. The demand for greater accuracy in measurement is already coming from the broadcast networks in any case. The coding technology tests being carried out by SMART (the emerging competitor to Nielsen), by Nielsen itself, and by its joint effort with Lucent to develop Media TraX indicate that improvements are technically feasible.

In fact, it would not be surprising if new measurement tools and techniques originally designed for the Internet were to spill over and be applied to traditional media in the not so distant future. Moreover, in those traditional media that are already more measurable, such as print, we foresee increasing pressure from advertisers for results-based or tiered pricing like that offered on the Internet.

The developments we have described are necessarily speculative, and may not materialize as broadly or as quickly as we suggest. All the same, they are worth watching out for because of their implications. Most of the media industry is affected by the billions of dollars spent every year on consumer marketing. If key advertisers were to reallocate their media budgets, the impact on traditional media could be profound.

As the aspirations, techniques, and expectations associated with Internet advertising spill over into traditional media, both marketers and advertising agencies will have to rethink the capabilities they bring to bear on selling products and services.

Implications for marketers

The growing importance of Internet advertising and its effect on conventional marketing will have profound implications for practitioners. First, the Internet model will set new standards for building relationships in the physical world, challenging many current practices and expectations. Second, a new concept, value exchange, will emerge as a core marketing capability. Finally, the move toward organizational structures and processes designed around consumers' experiences with specific products or services will accelerate further.

New standards in relationship management

The Internet will set new standards for total relationship management in both breadth and depth. "Breadth" means that a relationship will increasingly last for the entire ownership experience, including the time before and after the purchase of the product or service. Consider Coors, which used consumer feedback received via the Web during both the development and promotion of its beverage Zima - thus involving customers at all stages in the product life cycle.

"Depth" reflects the degree of interaction with consumers at any given point in their experience of a product. The book retailer Amazon.com, for instance, is beginning to use the information it gleans from customers to create value-added services such as suggestions about books that a particular reader might enjoy. This raises the bar for competitors on the Internet and in the physical world, posing a challenge that other players must meet if they are to retain customers' loyalty.

The Internet's role in consumer relationship management has important consequences for marketers. Network-based interactions must be integrated into the rest of a business, with all that this entails.

If car purchasers make fewer trips to the showroom, say, doing their own online research into different models instead of talking to salespeople, dealers will need to rethink the way they manage the whole consumer relationship. Eventually, customers may go to them only to place an order; at this point, the role dealerships play may no longer justify their cost, and they will have to find new ways to offer buyers value if they are not to disappear. Moreover, as consumers' behavior changes, so will the skills that salespeople need. And how are those salespeople going to be compensated when consumers make their purchases through channels other than dealerships?

Design and funding is another key area. If the Internet's role is to grow beyond advertising, the design of online activities should probably not be constrained by the priorities of a single functional area such as marketing, or by the limitations of the marketing communications budget.

Value exchange as a core capability

Much of the Internet's potential relies on the creation of a dialogue between consumer and marketer in which information is exchanged for value. Marketers need to develop the new skill of rewarding consumers for giving them access to personal information such as who they are, what they like, and what they buy. This reward may take the form of discounts toward future purchases, or benefits such as valuable information or a personalized product or service.

"This process of value exchange will become critical as new standards are created to protect consumers' privacy. The proposal announced by Netscape in May 1997 to capture information on consumers' hard drives rather than on marketers' computers marks a step in a new direction with its implicit acknowledgement that consumers will "own" information about themselves and control the release of that information to marketers. The demand for value among consumers is likely to grow as they become aware of how highly marketers prize their demographic profiles, product preferences, and transaction histories.

A few marketers are beginning to manage this process effectively. In exchange for basic information such as name, address, age, and income, Vogue provides readers with discounts, special offers, and previews of forthcoming articles. Saturn's approach is to offer convenient access to information. Consumers who reveal a small amount of information about themselves are able to use Saturn's interactive pricing center to research new cars, saving them trips to a showroom.

Organizations centered on consumers

As the Web merges marketing with other business processes such as customer service, it will put more pressure on the organization of most marketers. The coming of age of interactive networks will accelerate the move toward new organizational models in which marketers will structure their various functional capabilities around an integrated customer front end.

For a real-life example, take the insurance company USAA. Its customer center receives and manages all communications with consumers, whether direct via telephone, mail, and the Internet, or indirect via intermediaries. The rest of the organization revolves around the customer center. Sophisticated information systems help the company to process interactions and maximize their value.

The benefits are many. Customers feel that USAA knows them better, and the company is quick to respond to a complaint or learn about important market changes such as a cut in a competitor's price in a particular territory.

As more and more companies reorganize themselves around their customers, intranets linked to the Internet will become crucial. They will make it economically feasible for managers within an organization to have more information about consumers - and more interactions with them - than ever before.

Implications for agencies

The rise of Internet advertising, with its unique economics, may well call the validity of current business models and processes into question. It will also compel

agencies to rethink the way they create and develop campaigns, and the skills and capabilities they need to survive.

New business model

So different are the revenues generated by conventional and Internet advertisements that traditional agencies will have to think carefully about their approach to online advertising if they are to pursue it profitably. At present, most agencies incur high fixed costs in developing campaigns. Big creative teams and the like were fine in the days when agencies could rely on the commissions they earned from large media buys associated with a small number of creative executions. On the Internet, however, this cost structure is inverted: the creative element of the total advertising cost is much larger in relation to the media element. The resulting commissions will no longer be sufficient to cover agencies' high operating costs.

We believe that traditional agency business models simply will not work for Internet advertising. A trend toward retainer compensation is already emerging. Agencies may well seek to enhance their revenue streams by taking a cut of the results of their efforts in the shape of a commission on leads or sales generated.
In future, agencies will increasingly share in the risk of their advertising instead of- as they do today- leaving all of it to be borne by marketers.
Compensation models will be transformed. The measurability of Internet advertising makes results-based pricing more feasible than in any other media, as we have seen. Some examples are already in evidence. Site Specific is using performance-based contracts for clients including Duracell, CUC International, and Intuit's TurboTax division. Though these arrangements are not yet making it any money, they are expected to do so as advertising effectiveness increases. In time, results-based compensation will probably spill over into traditional media as the measurement of advertising impact improves. It will then have its most profound impact, affecting agencies' core business and revenue source.

New capabilities

This vision of the future calls Ad agencies' current capabilities into question. Many have seen themselves as the guardian angel of the brands they represent. But

agencies have a patchy record of orchestrating brand-building activities across the full range of marketing disciplines: media advertising, direct mail, promotions, and so on. The emergence of interactive media means that agencies must not only manage a broader and more complex mix of marketing tools, but also master radically different skills. Three main gaps will need to

Interactive advertising blurs the boundaries between traditional advertising, direct marketing, and customer services

Inform creative execution with a deeper understanding of enabling interactive technologies.

Such an understanding scarcely exists in agencies today, except in some of the more specialized enterprises such as Site Specific and AGENCY.COM. Traditional agencies may find their technological and creative skills are not sufficiently integrated to compete with the specialist Internet ad agencies, which enjoy a higher profile and more confidence among marketers in this area of work.

Integrate one-way and response-oriented campaign design skills.

Interactive advertising blurs the boundaries between traditional advertising, direct marketing, and customer services - normally separate preserves run by different individuals. Agencies will need to learn to integrate these skills in their design efforts.

Increase the speed and responsiveness of creative production

The immediacy of interactive networks will make growing demands on the pace and frequency of creative production. Agencies are currently organized around work processes with relatively generous cycle times. Today, it is acceptable to take three to six months to design one campaign, and to run it for up to two years. Tomorrow, a campaign with 300 one-on-one executions will have to be designed in two to three months, and adapted continuously in response to real-time consumer feedback.

The future holds many challenges for Advertising agencies. The emergence of new business models and the need for new capabilities are likely to shake up an industry that has been under pressure for some time. Some/agencies have shown that they can customize their processes and economics to specific industry needs like those of grocery retailers or auto dealers. Now they must learn to institutionalize these capabilities within their organizations or spin off a cluster of flexible, technology-savvy boutiques with low fixed costs. Viewed another way, the emergence of internet advertising may represent an opportunity for renewal - a chance for Ad agencies to reclaim the high ground of brand stewardship that some marketers argue they have let slip away in the past two decades.

The emergence of Internet advertising is likely to have wider implications for business than many imagine. Its effects will not be confined to the online world, but will extend to traditional marketing activities and processes. For those who look closely. Internet advertising holds many more opportunities and risks than is commonly assumed. And the payoff waiting for those who rise to the challenge will more than justify the efforts required.

CHAPTER – 8
Suggestion and Recommendation for Effective Corporate Advertisement

Chapter-8

SUGGESTION AND RECOMMENDATION FOR EFFECTIVE CORPORATE ADVERTISEMENT

On the basis of study it can now be concluded that Advertising plays a very important role in the growth of Corporate Sector. But for the purpose of overall Industrial development it would be rather very essential that the Advertising services have to be very effective.

In the age of competition /information when multiple Ad agencies focus their client for better result, the one way to make your effort standout is to get back to the basics or fundamentals. On this context it is very essential for the corporate advertisers;

(a) to educate your customers about the product and its worth,

(b) to engage your current and potential customers,

(c) to understand the strength and weakness of your competitors,

(d) to initiate the process of building your brand and establish brand equity,

(e) to offer long lasting real incentives both in terms of satisfaction and self-esteemed,

(f) to aim the message in a simple and shortest form,

(g) to innovate and improve your mechanisms towards the product, towards sales after service and towards customer relationship,

(h) to make your way in the competitive world,

(i) to strike while the iron is hot meaning thereby meet your customer's expectations even at the cost of your discomfort, and finally,

(j) focus your objectives and goal and leave no stone unturned to fulfill your target.

In the following paragraphs some guidelines have been suggested for making corporate ad services effective.

1. ***Put your advertising organization plan in writing:*** This is the first decision to make. Doing so permits you to get the plan endorsed by the chief executive officer and distributed by him to all those who play a key role in funding, planning, approving, and creating advertising.

 Without this step, and without continuing top-level interest and support, the record shows that the best advertising organization plan is soon pulled out of shape, and the work of the best advertising personnel is watered down.

 Decide, too, right at the start, that your company-advertising plan will go beyond the general objectives, the organization charts, and the all-purpose position guides that so often pass for a plan. To work, your plan must face the sensitive questions of basic responsibility that today are usually swept under the rug with the explanation that it is better to "play it loose" and leave these things to "collaboration". The collaborators are very apt to produce unhappy compromises if you do not make it clear who sets the marketing direction the advertising is to follow, who is responsible or executing the advertising and approving it and who has the last word in the hiring of a new advertising agency.

The remaining guide rules that follow are intended to help you write this plan. They deal with basic factors in the order in which most companies will want to consider them.

2. ***Identification of major advertising objectives:*** These objectives must provide a clear written understanding of what you are organizing to do. This most obvious of needs is the most overlooked. Naturally, these objectives will often be framed at lower levels, but in their final approved form; they should reflect the considered advertising needs of the company as seen by the chief executive officer. Then, they are most apt to provide not only for the needs of the individual operating divisions, hut also for company front advertising or marketing programs he considers vital, and for coordination of advertising with other company communications programs.

 For example, the president of one integrated, multi-division company with a wide range of kindred products and markets established this relatively ambitious priority, of needs:

 a. Provide highly effective skills for improving the advertising programs of all divisions.

 b. Integrate advertising fully with the marketing of individual products of the divisions.

 c. Establish effective cross-division or company-wide advertising programs to support marketing programs in which a group of related products from various divisions are promoted as a group to common markets.

 d. Coordinate product advertising of the divisions with other related communication programs whenever this will increase the combined impact and lower the overall cost of these programs.

Why, some ask, is it necessary to formalize objectives such as a and b? Surely, everyone in a multi-division company would agree and work for them. The reason

for emphasizing them is painfully clear to anyone who, over the years, has grappled with the realities of providing both of these requirements. One finds these two "obvious" needs to be largely in conflict if he adopts one of the more common methods of positioning and organizing advertising in a multi-division company. For this reason, much of the advertising of multi-division companies is apt to be weak on either marketing integration or on creative technique, or both.

For this reason, keeping both of these basic objectives up front and centre, on paper, provides a healthy stimulus to innovate and to adapt the advertising organization in ways that will fill both needs in good measure. It is even more important to do so when other objectives such as c and d are added.

3. ***Position and Structure the Advertising Department to Achieve Top-management Objectives:*** When should the product advertising activity be centralized in a multi-division company? When should it be decentralized? How can you strike the balance that best fills your specific needs?

 Usually, the man who organizes the overall marketing operation has a quick and simple answer: Advertising, an integral part of marketing should be centralized or decentralized to the same degree and in much the same way as marketing. How else, the reasons, can we hold the operating divisions in a multidivisional company responsible for overall results and for profit?

 This quick answer sounds logical and is usually adopted because it is the simplest way to decide the matter in the decentralized multi-division company. Nevertheless, it should be questioned by the executive who is intent on increasing the effectiveness of his overall advertising investment. By investing some extra thought and effort, a knowledgeable task group can usually come up with a better solution.

 If its members have an intimate grasp of the sensitive advertising process and of the marketing operation in an operating division, they will be able to evaluate the relative advantages of centralization and decentralization in terms of the company's specific marketing and advertising needs?

The "scores" for centralization and decentralization, in die two right-hand columns, were agreed on by a task force in the same company at the start of its study of the advertising organization.

In arriving at the scores, the task force was influenced by past experience in their own companies and in other companies it studied. This told them that a centralized advertising department has a clear advantage in providing effective advertising skills in handling multidivisional or corporate advertising, and in coordinating advertising with other communications programs such as public relations. It also told them, however, that it usually had difficulty in integrating advertising programs with individual division marketing programs as effectively as a decentralized advertising organization.

Filling out this chart will seldom point out any sure answers, but it can reveal the major problems and opportunities. In this case, it showed the task force that they were unlikely to fill their basic advertising needs if they followed any of the conventional patterns for centralizing or decentralizing the advertising function. This in turn, caused them to break trail later on in developing a sound blend of centralization and decentralization, one that in actual experience is now scoring high on all four of the advertising objectives set forth by the chief executive officer.

After determining the degree of centralization or decentralization needed, we must decide where the advertising function can best be positioned in the headquarters or division organization, and how it should be structured.

Although there is no end of possible variations of the most common methods, a task force having a good feeling for both advertising and overall marketing and narrow the alternatives quickly and logically by following the same basic discipline described above, that is, by matching the various alternatives against the company's established advertising objectives. In this chapter, we can include only a few of the most helpful insights:

a. Don't be unduly influenced by what other companies do. To date, few have given their advertising organization the study it deserves, so copying even the leaders in your field can put you far behind where you would be if you wisely organized to fill your specific needs.

b. Frequently, you can best fill your needs by combining the advantages of two alternative methods, and taking specific steps to overcome the inherent disadvantages of each. The guide rules that follow will help you do this.

c. When the marketing organization is organized by product or by market, the product advertising activity should usually be structured in the same way to integrate best the advertising and marketing effort. However, when the marketing organization is structured by function, it does not follow that advertising should be organized by advertising sub-function.

d. Organization by advertising sub-function is most feasible in companies marketing basic materials or services which do not require the advertising men to acquire deep knowledge of a wide range of products and complex applications. Frequently, supporting functional units attached to a product-or market-type organization provide the best balance. In general, going to a basic productor market-type advertising organization offers these advantages over a functional organization:

 - ☞ It minimizes the functional fences between advertising sub-function and simplifies development of unified programs.

 - ☞ It helps develop marketing minded advertising men who talk the language of the product and marketing managers, work with them more effectively, and become better prepared for higher marketing responsibilities within the company.

4. ***Make sure that advertising gets sound marketing direction:*** It is helpful when everyone concerned with advertising thinks of the direction setting and the execution parts of advertising as the first and second halves of a single process.

This is a healthy reminder that a poor job on the direction-setting first half of the process assures poor advertising results regardless of the zeal, and creativity poured into the creation of the advertising program. This helps to flag the unfortunate fact that, at all levels in the company, attention is apt to be focused primarily on the more exciting, ever-changing second half, the final execution. Too little thought and effort go into the fact-getting and painful decision-making that must often precede it. Consequently, the advertising, even though bright, creative, and provocative, often runs like a loose pulley on a shaft.

Although many marketing heads are well aware of this, it is safe to say that providing sound, clear-cut marketing direction is seldom done well unless a marketing-minded top management insists on firm practices for doing the job thoroughly.

The written marketing plan—approved and supported by division management and in line with corporate level plans—is far and away the most effective management tool for giving sound direction to advertising and to all other marketing functions as well.

Written marketing plans capable of doing this are still relatively uncommon, as any candid survey of advertising and marketing men will quickly reveal. This is true despite all the emphasis on modern marketing since the early 1950s, and despite broad agreement that a sound written marketing plan is the key to its implementation.

Actually, many of these companies have in the past made an earnest effort to initiate written marketing plans for all major programs, only to have the effort bog down. The trouble, it seems is that they tried to go too far in a single leap. Their people were not ready for the fact-getting and planning disciplines that are required. The plans were bulky but inadequate, division management did not use them as a plan of action, and the whole effort was, in many cases, talked into disrepute.

With this in mind, the following method is suggested for the many companies who desire but still do not have adequate written marketing plans, and whose advertising still suffers for lack of unified direction. Many companies have used this method to develop written marketing plans in a logical transition.

a. *Move first to a plan that provides sound marketing direction for product advertising.* A real marketing plan—like real marketing itself—has two main parts:

- ☞ An analysis of the problem that provides a basis of fact for major conclusions and marketing objectives.

- ☞ A plan of action that calls for integrated teamwork of all functions involved. It tells who is in charge, who does what and when to achieve the established marketing objectives.

The follow-through plan of action is, of course, the payoff part of modern marketing and of corporate-level planning as well. It is also the point at which marketing planning and corporate-level plans often stumble. The great majority of organizations that meet difficulty or defeat in trying to go all the way in one step may well consider a preliminary step that takes them well past the midway point. This is to prepare what some companies call a marketing audit for advertising and sales promotion alone. The First part includes, necessarily, the same analysis of the problem needed For a complete marketing plan. The plan of action, however, is limited initially to the plan of action for advertising and sales promotion.

b. *Upgrade the marketing audit into a real marketing plan.* This marketing audit will provide sound marketing direction for advertising. It will also give all the operating people who are exposed to it some feeling of what a full marketing plan could do for them. The first part of the marketing audit—the analysis of the overall marketing problem, basic conclusions, and resulting marketing objectives—is naturally useful for the other marketing functions, and adds some degree of marketing coordination.

However, its inadequacy as a real marketing plan stands out. Missing is the follow-through plan of action for functions other than advertising. Why do all that work for advertising alone? Why not include our plan of action too? At this point, a marketing-minded management can fan this dissatisfaction into positive action that adds the plan of action for all major functions, plus clear-cut management responsibility for carrying out the entire plan.

Why should management use the advertising plan in this way to spearhead full marketing planning? Actual experience offers two reasons:

- In many companies, the annual advertising plan is usually the best annual written plan in the area of marketing. Advertising men, by necessity, are familiar with planning techniques.

- The discipline of planning to communicate publicly with customers and prospects creates an ideal climate and a sharp needle for digging up available marketing facts and initiating marketing research to get what is not them available.

For this reason, a team of marketing-minded advertising and line marketing people can usually do the best job of annually updating the First part of a marketing plan, that is, analyzing the overall marketing problem, arriving at conclusions, and setting objectives. This job, very costly if done separately, gets done at little cost as a natural by product of the advertising process. It provides, each year, a stimulus for division management to add the follow through plan of action for all functions and create a real marketing plan.

5. ***Organize to attract, encourage, and protect creativity:*** To do this, we return again to one of the most practical organizing concepts of advertising, the allocation of advertising responsibility into the direction-setting "what" of the product or marketing manager and the functional or creative "how" of the advertising man.

While most top executive and marketing managers readily support the concept of dividing advertising responsibility in this way, few of them ever do what it takes to go from the concept to the actual practice of it. Firming the responsibility at the "What" "How" line, they fear, will introduce human problems and further diffuse advertising responsibility. Even the advertising mean often hesitate to push for it, apparently feeling that the marketing trend of the past decade—in which many of them have lost control of the "how"--has gone too far to arrest, and that, despite the spotty advertising, they are no longer in a position to bell the cat.

For these reasons, the understanding and personal support of the chief executive is usually essential to implement this sound principle of advertising organization. And he, along with his marketing people, has a compelling reason to do so: all signs indicate that those companies that have really taken the step have almost always been able to upgrade the quality of their advertising throughout their various divisions and to boost the return on their advertising investment. In implementing the concept, he can draw on a sound rationale and on specific practices that leading companies have used successfully.

Men who excel in making the hard "what" decisions in marketing and in other functions of a business usually come from a different mould than those who excel in making the "how" or creative decisions in advertising. The record throughout industry indicates that relatively few can make both types of decisions without turning in a mediocre performance in one area or the other.

How about the product or brand managers who are making an important contribution in many consumer-product companies? To an increasing degree, they and their marketing managers work directly with the advertising agency and give the final stamp of approval to both the "what" and the "how" of their advertising. Do they not disprove the above rationale, and perhaps point the way for the successful integration of advertising within the line marketing organization throughout all industry? For then the advertising organization problems of the multi-division company would be far simpler. But we must note that he product manager's direction of advertising "how" is, increasingly, being questioned. And we must also note that the product or brand managers who wear both "what" and

the "how" hats successfully are usually in companies that a management consultant is apt to classify as "advertising companies" insofar as advertising is a prime factor in their marketing success. Consequently, advertising is the major part of the job—the part in which they have the most clear-cut responsibility and authority. Indeed, some of those who wear both hats successfully are marketing-minded former advertising men recruited from the company advertising department or the agency—men who have a good feeling for advertising quality themselves and who know how to give adequate rein to a capable creative agency. Their other marketing duties are mainly as a coordinator of functions over which others exercise line responsibility. As product managers, they are primarily advertising men. and they are as much the exception as the product manager in a science oriented company selling complex equipment for space exploration, who is apt to be 95 per cent engineer.

The great bulk of product managers through industry have heavy responsibilities other than advertising, with experience and aptitudes to match. The growing problems of advertising organization in multi-division companies attest to the fact that they cannot successfully wear both the "what" and the "how" hats of advertising.

6. ***Use the advertising agency for all the work it can do best—without relinquishing self-sufficiency in providing marketing direction.*** An ANA study conducted by Booz, Alien & Hamilton shows that the agency services used by leading United States marketers extend across this entire range:

- Advertising only

- Advertising and selected services in areas such as sales promotion and marketing research.

- Advertising and other selected services plus marketing counsel in areas such as product and marketing planning.

☞ Advertising and other selected services, plus important marketing contributions that make the agency a marketing partner and sometimes enable it to exercise marketing leadership.

What are the guidelines to follow in seeking the right level of agency services? Selecting the right agency. As the ANA study points out, nearly every leading marketer agrees that agencies can create better advertisements than marketers can. The advertising agency, they say, can provide creative skills and specialized services that a company cannot match economically. In truth, many companies could not match the agency contribution at any price, because they cannot maintain the objectivity provided by a strong, creative agency that is not too dependent on the client.

Objectivity, the lifeblood of good communications is very hard to maintain within most company hierarchies, and this is the main reason why the advertising agency is such a durable institution. A prime organizing principle in most leading marketing organizations is to preserve and use this objectivity of the outside agency in the creation of advertising and in other areas of marketing in which agency has competence.

Prudence dictates that a company remains self-sufficient in those marketing functions, such as marketing planning, that are vital to its survival. But many alert companies with strong agencies do not hesitate to draw on the agency for help even in marketing planning when this will speed the day when the company is more self-sufficient in that area. As they develop new products and diversity, these companies frequently Find themselves with a product or market with which they are relatively unfamiliar. Short-term outside help in marketing planning, from an agency or marketing consultant that knows the market, is then needed to get the product off the ground and also to speed the day when the company has adequate in-house marketing leadership.

7. ***Reduce the advertising approval line to the minimum—Preferably to an advertising approval point.*** Top management does not normally consider the process of approval of advertising to be a part of the advertising, "organization."

Yet, organization. is" the plan for doing the work"—all the work. The advertising approval process is a critically important part of the work of advertising, one in which needed improvements must be supported by top management.

The approval of print advertisement or commercial is usually a drown-out process involving eight or nine persons, frequently a dozen or more. Moreover, it is usually carried out in a way that saps much of the potential effectiveness of the advertising submitted. This is a needless waste, which many alert companies are taking steps to eliminate.

Most advertising and marketing men have apparently accepted long advertising approval lines as inevitable. While applauding the principles behind methods 2 and 3, they feel that those who try to implement them are dreaming. However, actual experience shows they can be implemented and work splendidly—provided top management is interested enough to support the governing principles and the advertising people are firm enough in applying them.
In his excellent series entitled "The Management of the Marketing Function," marketing consultant Clarence Eldredge endorses this general thinking, and adds vital point, when he states that "nothing would make a greater contribution to advertising creativity than to scrap the multi-approval process and delegate to a single individual the authority to approve advertising, provided always that the basic advertising and marketing strategy has been formally approved by the marketing director and general manager."

Eldridge reminds us that there is a precondition for effective, streamlined approval methods: firm, clear marketing direction. Long approval lines and continuing revisions of advertising programs usually reflect indecision on basic marketing and advertising strategies that should have been settled long before. Short, effective approval lines, or one-man approval points, are a blessing available to heads-up marketing groups who think through their marketing and advertising strategies, put them on paper, and make them known in advance to those who would otherwise be in along approval line.

8. ***Combine the advertising and sales promotion functions whenever they require the same basic skills and source material.*** Should advertising and sales promotion be combined or should they be separate functions in your company?

The answer depends on what the term "sales promotion" means to you. However, there is a good guide rule that can be used by any company: Combine the two functions whenever the actual preparation of advertising and sales promotion material requires the same basic skills and source material. In some packaged—goods companies, for example, sales promotion consists mainly of "promotions" such as off-label deals that are little more than price reductions; give-away promotions of contests that offer special inducements to consumers, the trade, or dealer organizations. The skills and information needed to stage such promotions often have little in common with those needed for creating or directing advertising, and so the advertising and sales promotion functions may logically be separated. They may even report upward through different marketing executives and compete furiously for the same budget dollars.

In most companies, however, the term "sales promotion" is a catchall referring to a broad range of sales-support activities other than space and broadcast advertising. In some cases as in consumer durable companies and in those marketing industrial parts and equipment, much of the sales promotion may be directed to the trade, sales force, or dealer organization. When this deals mainly with the same product-market information, and draws on the same communications skills as does the advertising, the sales promotion function may logically be positioned directly alongside the advertising function, supervised by a manager who directs and coordinates both.

In many industrial companies that sell direct, and in many consumer-product companies as well, nearly all-advertising and sales promotion communications focus on consumer benefits of their products and services and draw on the identical skills and source information. In these companies a tight integration of advertising and sales promotion is obviously best, and there is no better way to achieve it then to combine these related efforts at the supervisory level.

There are many companies in which advertising and sales promotion clearly draw on the same skills and source material, but are nevertheless separated, sometimes in apparent competition. In these cases, marketing management will wisely review the original reason for separating the two functions. More often than not, they will find that a former advertising and sales promotion manager, and his agency, became too enamored of the space or broadcast advertising programs and neglected the sales literature and related promotion materials needed to make the advertising pay off. Consequently, sales promotion was broken out solely to get the difficult, time-consuming work of sales promotion done. When this is the case, management has much to gain by combining the two functions again, under a manager who sees the big advantage and economy of coordinating them and who can manage to do so.

9. ***Encourage the advertising and sales promotion department to provide related marketing services whenever practicable.*** A growing number of companies are combining the advertising and sales promotion function with other specialized marketing services that are closely related. The additional services usually begin with assistance in marketing research and extend naturally to include teamwork in marketing-planning activities and other areas. In some cases, they include marketing-training programs to help in the operating units achieve more effective marketing teamwork. Frequently, the broadened activity takes on the title of "marketing services" or "marketing communications."

Companies seeking to get this over-and-above contribution from their advertising activity may benefit from these observations drawn from successful marketing services groups of this type:

a. The first requirement is that the advertising department head and his division contact personnel by marketing minded advertising men, with a good feeling for effective advertising and a grasp of modern marketing and the disciplines that make it effective. Men of this type will invariably begin collaborating closely with their product managers on marketing research, marketing planning, and other related activities that have to be done before an effective advertising program can be initiated.

b. This good teamwork accelerates when management takes the step recommended under guide rule 4, above. A firm management requirement for written marketing audits or marketing plans, together with an offer of assistance from advertising and other marketing support groups, speeds the process of getting advertising and sales promotion men working closely with the line marketing people who most need help in fact-finding and marketing planning. This assistance should, of course, be provided as a catalyst rather than as a permanent service, to encourage the line-marketing group to become wholly self-sufficient in this area.

c. The fact-getting and planning resulting from this teamwork directly benefits all areas of the operation. It is done, furthermore, at very low cost. In the area of marketing research, for example, little additional administrative costs are incurred, because the personal contacts, the close collaboration, and the research that is often required to define the basic needs are done as a normal part of the advertising and sales promotion job; getting the research work done requires relatively little additional time, because it can usually be done most objectively and economically by outside research personnel.

d. The former advertising department becomes increasingly aware of the realities of the marketing situation, and the marketing organization provides increasingly good direction not only for advertising but also for other marketing functions. Rapport between advertising and marketing men improves, and advertising recommendations, including budget proposals, gain in credibility.

e. The broad challenge offered by a marketing services activity of this kind increases the company's ability to attract and developable, marketing-minded advertising men. It broadens their experience and capabilities, and it also helps to hold those who rise to top positions. There, they are no longer deal-ended in a specialized advertising job, with no place to go except other companies and agencies. Instead, they frequently move into line-marketing

activities where their combination of marketing and communications skills prove valuable.

10. ***Coordinate advertising and sales promotion with the public relations activity:*** The advertising and the public relations departments are organizationally separate in some companies. They are also separated, and relatively out of touch, in many other companies where both logic and experience indicate they should be working together very closely, under a director of public relations and advertising. One way management can help decide how closely to coordinate the two functions is to ask these two questions.

a. To what degree do the communications objectives of your advertising and your public relations programs overlap? In many companies, a thoughtful effort to determine the communication goals for all major public relations and advertising audiences will reveal that some goals are common to many of them. A primary goal, for example, might be to show all public relations and advertising audiences that the company is competent, reliable, diverse, growing, progressive, and profitable. The secondary communication audiences such as employees .and the financial community will, of course, vary widely and call for disseminating distinctly different information. Achieving the primary goal may be very important, and require the same basic communication skills for all audiences. When this is the case) a close organizational tie between advertising and public relations is suggested. To determine how close the tie should be, it is well to ask the second question.

b. How valuable to your public relations programs is specific news and information on your company's products and markets? The value of such information may be relatively small in a company marketing, let us say, only salt or a basic industrial material that meets common industry specifications and has no readily apparent product advantages. The same is doubtless true for many packaged-goods products.

Many other products and services have very interesting and distinctive features and advantages. News concerning them can be used effectively throughout all

the company's public relations programs to help achieve the primary communication goals. This may be true for products running from heavy capital goods equipment through office machines, small appliances, software and drugs. In all these the advertising and public relations functions are frequently combined.

Answers to these questions will often suggest a close coordination of advertising and public relations when, in fact, they are separate and striving hard to remain independent and self-sufficient. In this case, as in the case of separate advertising and sale promotion functions, a study will often show that the company does not need separate, specialized functions but, instead, a director who is interested in both functions and able to manage them.

Corporate-level advertising, like public relations, may be focused on any one or a combination of different audiences. In deciding where to position it, we must go back to basic communication objectives. Where these overlap substantially for the corporate advertising and for product advertising, and where both draw on the same basic skills and source material, the corporate advertising can regularly be handled most effectively and economically by the advertising department. In other cases, the corporate advertising may be focused solely on the financial community or some other special audience, and contain little or no product or market information; it may be that it can be handled best by a public relations group that is in close touch with the chief executive and his top financial and legal aides.

Positioning the product news publicity function very often presents a Hobson's choice. The case for positioning it with the public relations activity is usually strong. Having within the company a single contact for all product and corporate news can be a decided convenience for the news media. It also makes possible a valuable degree of control and coordination, within the company. When the company's products are unique, with a strong potential for making news in the general press and broadcast media, positioning the product and corporate news relations group in the public relations department offers clear benefits to the corporate-level news activity.

In the same company, however, we may also find compelling reasons for making the product news activity an integral part of the product advertising and sales promotion group.

One reason for this is that a vital part of the public relations activity is usually done for and under the watchful eye of top management. This work, understandably, has an urgency and priority that frequently cause the trade-magazine level of product releases and signed article activity to get lost in the shuffle. Meanwhile, the product advertising department, with no responsibility for product news relations, is not motivated even to plan for optimum use of it in their programming and budgeting. As a result, they use more costly media for goals they could achieve at much less cost in the news columns.

Where product news coverage can carry an important part of the marketing communications load, it seems wise to position the product news activity with product advertising, making that activity clearly responsible for transmitting to the public relations group the 10 per cent or so of product news that many have potential for coverage in the general news media.

11. ***Make advertising organization changes in a transition rather than a revolution:*** Most of the changes required in an advertising organization can be foreseen, often years in advance. This is particularly true of changes that are required to adapt to a major restructuring of the corporate organization, and those that are needed to help increase the effectiveness of advertising and marketing.

Communications functions can be severely disrupted by organization upheavals, and management has much to gain by planning ahead so that advertising and marketing personnel can collaborate on a reasonable transition. Important changes in advertising organization can often lead to related changes in the company organization structure. The big advantage is that it can avoid changes that overshoot the mark and cause the quality of advertising to deteriorate, as has so often been the case during the decentralizing and marketing revolutions.

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Business Today, Vol. 13, No. 10, 11, May - June 2004.

APPENDIX
Profile of Leading Ad Agencies

Profile of Leading Ad Agencies

S. No.	Name	Address	Tel. No.	Fax. No.
1.	Adbur Pvt Ltd	Abdur Ltd. Kaushambi. Sahibabad. Ghaziabad	477 7901-7920. 477 8501-8520	477 7935
2.	Akshara Advertising	Meghdoot. 94 Nehru Place. New Delhi - 110 019	641 6253. 641 6258. 640 4264-66	648 1655
3.	Ambience D'arey	Ambier.ce Advertising pvt. Ltd. Neelam Centre. 'A' wing. S K. Ahire Marg. Worli. Mumbai - 400 025	496 2898. 494 4640. 492 3925. 494 8696	493 7847. 493 4036
4.	Chaitra Leo Bumett Pvt Ltd	9/i I NS Patkar Marg. AB Godrej Chowk. Mumbai - 400 036	380 7070	380 4542
5.	Contract Advertising (India) Ltd	Vaswani Chambers. 264. Dr. A B Road. Worli Mumbai 400 025	4306041. 4306042	4303808/7890
6.	Crayons Advertising and Marketing Pvt Ltd	B-23. Greater Kailash-I. New Delhi - 110048	621 2347	647 4765 621 2347
7.	Creative Advertising	143. M G Road. 2nd floor. Sasson Building. Kalaghoda.Mumbai - 400 001	267 1763. 267 1991	267 0860
8.	Enterprise Nexus Communications Pvt. Ltd	367 Sane Guruji Marg. Agripada. Mumbai - 400 011	300 1112	3001017
9.	Euro RSCG Advertising Pvt Ltd	Brady Glady's Plaza. Unit No 5. 1st 'floor. Senapati Bapat Marg. Lower Parel. Mumbai - 400 013	493 7188	493 7183
10.	Everest Integrated Communications Limited	Kitab Mahai. 192. Dr D N Road. Mumbai - 400 001	207 1771-4	207 4682
11.	Equus Advertising Co Ltd	Apeejay Business Centre. Apeejay House. 15 Park Street. Calcutta.	2171136	2171137
12.	FCB-Ulka Advertising Ltd	Nirmal. 4th Floor. Nariman Pomt. Mumbai - 400 021	202 6884. 285 2184. 283 6068	287 5947. 283 6072
13.	Fountainhead Communications	Aarthi Chambers. 2nd Fl. 189 Mount	852 6430	8524215

S. No.	Name	Address	Tel. No.	Fax. No.
	Pvt Ltd	Rd, Chennai - 600 006, India		
14.	Fortune Communications Ltd	Dr Sunderlal Bahl Path (Goa Street), Ba.iarc Estate, Mumbai - 400 038	262 0227/ 1251/ 2542	262 0547
15.	Graphisads Pvt Ltd	219, Hans Bhavan, I, Bahadurshah Zafar Marg, New Delhi - 110 002	331 8086/7112	332 3958
16.	Hindustan Thompson Associates	Lakshmi BMg, Sir Pherozeshah Mehta Rd, PO Box 541, Mumbai - 400 001, India	266 0190	266 0186, 269 2518
17.	Hakuhodo Percept	Percept House, 2, Sant Nagar, New Delhi- 110 065	6288870, 6282523, 6211130	6288871
18.	IB&W	IB&W Communications Pvt Ltd. 71 Gandhi Nagar, DS Marg, offDr E Moses Rd, Worii, Mumbai - 400 018, India	494 4087-89, 492 0291-94, 496 0029-32, 497 1401-04	497 1398
19.	Interface Communications Limited	Haines Road Property, 81 Dr E Moses Road, Worli, Mumbai 400 018	4963919	491 4538
20.	Interact Vision Advertising & Marketing Pvt Ltd	Bhavani Kunj, opp D-l Market, Vasant Kunj, New Deihi - 110 070	613 5134/5	613 5136
21.	Imageads□Imageads and Communications Pvt Ltd	103 Mittal Chambers, Nariman Point, Mumbai - 400 021, India	202 2425/6416	202 8858
22.	Jelitta Publicity	Wattasseril Building, PB No 8, Baker Junction, Kottayam - 686 001	564 075/806	563 127
23.	Kamerad-news	MBC First Floor, 134, Infantry road, Bangalore-560001	2868278,2863276	
24.	Mudra Communications Ltd	Mudra House, Sheth CG Rd, Ellisbridge, Ahmedabad 380 006	656 5659	642 5058
25.	Marketing Consultants & Agencies Ltd	Mehra Complex, 42 Millers Road, Bangalore - 560 052	2256287 / 88 / 4289	225 2614

S. No.	Name	Address	Tel. No.	Fax. No.
26.	MCS Communications Pvt Ltd	20/1 Bagirathi Ammal St. T Nagar, Chennai 600 017	826 9945/4319, 8269730	8251782
27.	Market Missionaries (India) Pvt Ltd	A-5, Vidyadhar, 1313, Sadashiv Peth, Pune - 4.1 1 030	4478200/8623	473170
28.	Moulis Euro RSCG(I) PvtLtd	4 & 5, 1st Floor, Rams, 27 West Cott Rd, Royapettah, Chennai 600 014	852 2828, 857 0515, 853 3480	853 3480
29.	National Advertising Agency	PT-62/12,KalkajiExtention,Sansad Kung, New Delhi-110 019	6445592, 6426353, 6419764	6220415
30.	Ogilvy & Mather Ltd	Trade Centre, Third Floor, Senapati Bapat Marg, Lower Parel, Mumbai 400 013	491 3877	491 3838
31.	Pressman Advertising and Marketing Ltd	Pressman House, IOA, Lee Road, Calcutta 700 020	280 0815-8	2800813
32.	Percept Advertising Ltd	22 Raghuvanshi Mills Compound, 11/12, Senapati Bapat Marg, Mumbai 400 013	491 8811	491 1281
33.	Publicis Zen Communications Pvt Ltd	Publicis-Zen House, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013	493 8828, 4925031	4930709
34.	Purnima Advertising Agency	35 Shrimali Co-op Society, opp Navrangpura Police Stn, Navrangpura, Ahmedabad 380 009, India	643 0179, 644 6619	642 7967
35.	Quadrant Communications Ltd	13A,KarveRoad,Kothrod, Pune 411029	333 917/623	331 965
36.	Rediffusion-DY&R	Young & Rubicam Ltd, 4th Floor, Sterling Centre, Dr A.B.Road, Worli, Mumbai 400018	493 7308 / 13, 494 0206 / 5750	493 6557
37.	RK Swamy/BBDO Advertising Ltd	Film Chamber Buildings, No 604, Anna Salai, Mount Road, Chennai - 600 006	829 2300, 829 2302	829 5557
38.	Ram Advertising Service	SCO 1112-13, Sector 22-B, Chandigarh	702361,705	707283

S. No.	Name	Address	Tel. No.	Fax. No.
		160022		
39.	Rashtriya Advertising Agency	Rashtriya. tower, 38 Jhansi Road, Jhandewalan, New Delhi-110055.	351326-29, 354 8182, 35 68013,	753 5072
40.	Saatohi & Saatohi Pvt Ltd	1st floor, Sitaram Mills Compound, 1st Floor, N.M.Joshi Marg, Mumbai - 400 011	300 0301/3/4	300 0302
41.	SSC & B Lintas Ltd	Phoenix Complex, SB Marg, Lower Parel, Mumbai 400 013, India	493 5377, 495 3679	495 0130, 460 2731
42.	Sasi Advertising Pvt Ltd	1050, Ground Floor, Damodar Centre, Avinashi Rd, Coimbatore 641 018	217558/9, 200227	217 487, 212 427
43.	Trikaya Grey Advertising (India) Ltd	Block 2 - D, 3rd Floor, Phoenix Estate, 462 Tuisi Pipe Road, Lower Parel, Mumbai 400 013	493 9336, 497 5401	493 9355
44.	Triton Communications Pvt Ltd	43, Prospect Chambers Annexe, Dr DN Rd, Fort, Mumbai 400 001	2872518	285 1840
45.	TBWA Anthem Pvt Ltd	25-C, Commercial Complex, Paschimi Marg, Vasant Vihar, New Delhi - 110 057	6142292	6145176
46.	Ushak Kaal Advertising Pvt Ltd	B-23, Geetanjali Enclave, New Delhi 110 017	696 8113/5, 656 9968	6968114
47.	Urja Communications Pvt Ltd	Oberoi Garden Estates, B/3060, Chandivali, Mumbai - 400 072	8595730	8595740
48.	Lintas India Ltd	Express Towers, 15th Floor, Nariman Point, Mumbai - 400 021	202 1577	202 3135/6